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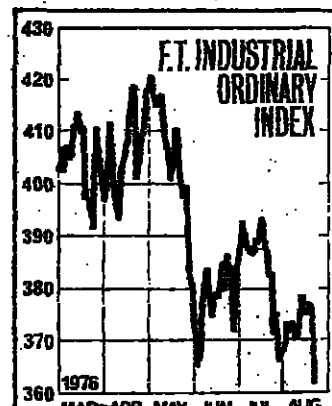
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NEWS SUMMARY

BUSINESS
Hijack: Equities
gypt fall to
cuses new low
bya for year

troops stormed a
airliner at Luxor air-
t night and freed the
engers and six crew,
whom was hurt. They
the three hijackers.
re said to have confessed
ey were financed by
Khedafi, the Libyan
hijackers, who carried
in, Kuwaiti and Pales-
travel documents, were
ine hours after they took
Egyptian Boeing 737 on
from Cairo to the tourist
of Luxor and Aswan. The
ers included Japanese,
and West German
Women, children and
lderly men had been set
dier.
alestine Revolution Move-
previously-unknown
claimed in a call to
office in Kuwait, that the
g was the first in a series
nd prove the civil war in
n had not crushed the
ian revolution. Middle-
east, Page 5



ard move
nt Giscard d'Estaing
to be about to take a
on the French Govern-
reshuffle, which may
the replacement of M.
Chirac, the Gaullist
Minister. Back Page;

chaos eases
ster was the airport worst
terday by the Spanish air
controllers' work-to-rule,
lights up to 15 hours late.
erc, because of the low
of Monday journeys.
were being whittled
Page 4

er mix-up
sh Army lieutenant and
ant-major were arrested
estioned for an hour by
public police for detain-
nan on alleged drunken
soil. Meanwhile, the
ayor of Dublin has said
ors in the Irish Republic
rganise peace rallies in
y with those staged by
in Ulster. Page 9

les sentence
a who drugged an Afghan
and two cats and emugled
rough the Dover customs
they did not want to
eir pets in Holland when
wed in North Yorkshire
led for four months.

er trapped
lalcum Fraser, the
an Prime Minister, has
remain for 30 minutes
ement room at Monash
y, Melbourne, when
emonstrators prevented
e unveiling a plaque.

burglar, 73
drived at a Whitechapel
shop in time to see an
hensioner wriggling out
back window. At Old
out, London, a 73-year-
employed, homeless man
ed for six months. "I
protect the public," said
istrate.

24 back
an 24 unmanned space-
ed in Siberia on Sun-
nging back rock and soil
from the moon, the
ag. agency announced.

ly
la, 20 art woodcuts, etch-
engravings worth about
by Abbrecht Duerer, the
renaissance artist, were
rom the University of
art gallery.
and other primates used
al research need to be
bred in Britain, says a
Research Council report.
ots: British Standard is
view after the deaths of
abies whose knitted
became hooked.

PRICE CHANGES YESTERDAY

Heath (C.E.)	390	-12
ICI	338	-8
Johnson-Richards	337	-8
Lucas Industries	70	-6
Lucas Industries	107	-9
Metal Box	245	-6
Montagu Boston	173	-71
Watts	73	-4
Pressey	73	-4
Pyral	31	-4
Scott & Univ. Invs.	563	-43
BP	567	-8
Shell Transport	408	-6
Woodside-Burnham	114	-6
Harcourt	500	-40
MIFH Hides	266	-8
Randfontein	5114	-1
Zandpan	114	-14

Drought may bring three-day week

BY ARTHUR SMITH

A WARNING that continued drought could bring a three-day week for industry was delivered yesterday by Lord Nugent, chairman of the National Water Council.

He stressed that such drastic measures would prove necessary only if the public did not respond to appeals to conserve supplies and if the prolonged dry weather continued.

The warning is being taken seriously by the Confederation of British Industry which said last night that industry in the worst affected parts of Britain could face the prospect of short-time working within the next two or three weeks, with the possibility of two-day week working in South Wales.

Present measures to control water consumption were not enough and additional controls would be necessary, Lord Nugent told a specially convened meeting with the confederation, the TUC and heads of the worst affected water authorities.

The Welsh National Water Development Authority, which plans to cut supplies to industry in South Wales by 50 per cent. from September 15, said yesterday that short-time working could become widespread.

An extension of the 17-hour-a-day cuts to 12 domestic consumers was under consideration. Customers might be confined to seven hours' supply every other day. Such measures might become essential to preserve jobs and employment.

Britain's problems must be put up food prices, is likely to be seen against the wider drought afflicting much of Western Europe. The Common Market agriculture Ministers yesterday gave the go-ahead in Brussels to the proposed suspension of EEC import tariffs on drought-hit vegetables. It is hoped this

The green pound—the Common Market rate of exchange for U.K. farm and food prices—is 20 per cent. out of step with the real pound because of the depre-

Lord Nugent claimed before his talks with the CBI and TUC yesterday that short-time working and lay-offs would be inevitable in essential industries.

Outlining measures taken to increase supplies, Lord Nugent said river flows had been appropriated, bore holes sunk and new pumps and pipes brought into action. Savings by the public and industry had been useful but, given continued lack of rain, such measures would not be enough.

There was close consultation with industry, he told Mr. John Methven, director-general of the confederation, and Mr. Len Murray, general secretary of the TUC. But Lord Nugent and his colleagues intended to enlist the help of employers and trade unions at national level.

Representatives at the meeting agreed to maintain close liaison as long as the crisis continued. A further meeting is planned in two weeks' time.

The confederation said last night that it was impossible to determine a scale of priorities between different trades because industry was so interdependent. The National Water Council had agreed to offer maximum possible flexibility.

Continued on Back Page
Crops outlook, Page 19

Fire spreads to hospital

Geriatric patients were evacuated yesterday from St. Thomas's Hospital, Haverfordwest, Dyfed, Wales, to other hospitals. Fire, thought to have started in a nearby field, had spread to the hospital's roof timbers.

Some 160 patients returned to St. Leonard's, Ringwood, Hants., threatened by a blaze on Sunday, and the remainder will return today.

move will attract supplies from outside the community and cushion the impact on supply and price.

The impact of the dry weather on food prices is likely to have an impact on political issues, Mr. Fred Peart, Agriculture Minister, is widely expected to press at today's emergency Cabinet meeting for a further devaluation of the green pound to boost farmers' incomes by increasing the prices of their produce.

Such an initiative, which would

ation of sterling. Rectification of this position would add nearly £1 a week to the food bill of the average family of four, the Cocoa, Chocolate and Confectionery Alliance claimed last night. More than £600m. a year would be added to the cost of food.

Opposition to the adjustment of the green pound was voiced last night by the Food Manufacturers' Federation which represents much of the industry. Any across-the-board change in the

Soweto black workers stay at home

BY GRAHAM HATTON

JOHANNESBURG, August 23.

IN A WIDESPREAD and remarkably effective work boycott, thousands of Soweto workers today refused to board buses and trains to Johannesburg after being urged by student leaders to join in the "third phase of the struggle against the oppressor."

Employers reported absenteeism rates of up to 50 per cent. among black staff from Soweto, Johannesburg's vast black sister city—a considerably higher percentage than the last stay-at-home on August 4.

Within the township, police riot squads opened fire on two groups described as "intimidators." Killing one man and according to unconfirmed reports, wounding at least six others.

Thousands of pamphlets launching "Operation Azikhwela"—"Don't board the buses"—were distributed throughout Soweto at the weekend. They appealed to "parent workers" to stay at home: "If you go to work, you will be inviting (Prime Minister) Vorster to slaughter us, your children, as he has done already."

They described the students as "soldiers of liberation who prefer to die from a bullet rather than swallow a poisonous education which relegate them and their parents to a position of perpetual subordination."

Workers say they have been asked to stay at home until Wednesday as a protest against the latest wave of detentions of black leaders.

Townships other than Soweto were less affected by the boycott, and businesses in the east of Johannesburg, which draw their labour from Tembisa and Natal-spruit, for instance, reported only slight absenteeism. But shops in the centre of Johannesburg were badly hit, as were

factories in Langlaagte and Industria.

In the lunchtime cafeteria at Garlicks, one of Johannesburg's leading department stores, whites were doing jobs usually done by blacks: serving customers their food, wiping tables, and washing dishes. A brewery at Langlaagte said only 10 per cent. of its 500 black workers had reported for duty.

Police Brigadier D. J. Kriel said his men had opened fire on what he called "gangs of intimidators" near Orlando station on the edge of Soweto. He said he knew of no other casualties besides the dead man.

Most of the trains into the city were running only half full and about 14 trains were cancelled due to lack of demand. Putco withdrew its bus services from Soweto and ran its buses only to the periphery of the township.

At Baragwanath, in Diepkloof, Putco buses were escorted by police as a precaution against being stoned if violence broke out. Every bus carried a policeman with a rifle.

At railway stations, groups of children were telling isolated groups of people who were going to the stations not to board trains.

Many of the workers who turned up for work today had slept overnight in the city. There were also reports of some having booked into hotels in Johannesburg.

Hippos (armoured trucks) stood by at the Orlando station and a strong contingent of police was on guard at the entrance into Soweto.

Meanwhile, the Soweto Students' Representative Council Continued on Back Page
Editorial comment Page 12
Balance of payments deficit Page 5

Japan premier battles to keep party leadership

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, August 23.

JAPAN'S BELEAGUERED Prime Minister, Mr. Takeo Miki, is to meet his two main opponents within the Liberal Democratic Party to-morrow in what appears to be a last-minute attempt to avert a showdown over party leadership.

On the eve of the meeting one of his main rivals, Deputy Prime Minister, Takeo Fukuda, came out clearly for Mr. Miki's resignation, telling his faction members that a "fresh and powerful leadership" was needed.

Mr. Miki has refused to discuss the leadership problem with his two rivals—Mr. Fukuda and the Minister of Finance, Mr. Masayoshi Ohira—both of whom command bigger personal followings in the party than he does and both of whom are openly calling for his resignation. His decision to tackle the leadership issue head-on appears to have been forced on him by the fact that a party caucus could be summoned at any moment to pass a vote of no confidence in his leadership.

Mr. Miki's opponents succeeded last week in getting a two-thirds majority of the Liberal Democratic Party's parliamentary membership to put their signatures to a resolution calling for such a caucus meeting. The secretary-general of the party, Mr. Yasuhiro Nakasone, who is one of the few remaining staunch Miki supporters, has let it be known that he opposes such a meeting but the two-thirds majority would be enough, under the party constitution, for the caucus to meet and quite possibly to vote the Prime Minister technically out of office.

The campaign against Mr. Miki



Mr. Takeo Miki: to meet main opponents.

or how much further investigation should be pursued but Mr. Miki has various ways of striking back at opponents who feel he has been over zealous about Lockheed.

His ultimate weapon would be to dissolve the present Diet (Parliament) and call a general election—a move which would force Diet members to return to their constituencies and shelve the current leadership struggle.

If Mr. Miki proposes a dissolution, his Cabinet may attempt to veto the move but the Prime Minister could respond to this by outright dismissal of the Cabinet. A general election is due in any case by January at the latest so dissolution now might not seem entirely unreasonable. An argument against early dissolution is that the Government urgently needs to convene a special session of the Diet to pass legislation authorising the issue of special bonds to cover this year's budget deficit.

However, Mr. Miki might argue that if an election were held quickly under his leadership the Diet could be convened after the election without any more waste of time than is being caused by the present intra-party power struggle.

The struggle between Mr. Miki and his opponents in the party fits into none of the patterns established by conservative politics in Japan over the past 20 years. Its special features are that Mr. Miki remains popular in the country as a whole despite his extreme unpopularity within his own party and that the Prime Minister has a second string to his bow in the form of his personal ties with some sections of the opposition.

Manbré says Tate & Lyle bid is 'transparent opportunism'

BY KEITH LEWIS

Manbré and Garton yesterday described the £44m. takeover bid from Tate and Lyle as "transparent opportunism with serious monopoly implications."

Manbré and Garton yesterday described the £44m. takeover bid from Tate and Lyle as "transparent opportunism with serious monopoly implications."

In a strongly-worded defence it accused Tate and Lyle of using the need for rationalisation in the cane sugar refining industry as a pretext for a bid for the bid.

The bid, worth 170p a share, is being considered by Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, £500,000. This compares with pre-tax profits of £7.15 in the previous 12 months.

Manbré's document yesterday contained a profit forecast of £10m. pre-tax, including six months' profits from the Hugh Baird acquisition of over £500,000. This compares with pre-tax profits of £7.15 in the previous 12 months.

The Office of Fair Trading, which advises the Minister in these matters, passed on its advice over a week ago. A decision is expected either at the end of this, or the beginning of next week.

Though Tate sought prior approval from Ministers—Agriculture, Employment, and Industry—as well as the Office of Fair Trading—its bid has run into considerable opposition.

A number of supermarket groups, consumers and others have written to the OFT voicing opposition, mainly on monopoly arguments and the potential vulnerability of supplies in the event of there being only one supplier.

Manbré's document yesterday contained a profit forecast of £10m. pre-tax, including six months' profits from the Hugh Baird acquisition of over £500,000. This compares with pre-tax profits of £7.15 in the previous 12 months.

Tate & Lyle countered last night with the statement: "The Manbré & Garton document is disappointingly negative and ignores the best interests of the companies, employees and shareholders. Manbré's profit forecasts had been fully allowed for in our offer."

Manbré shares, which had slipped recently, ended the day 7p higher at 156p. Tate eased 1p to 232p.

Gold lowest since '73

By Colin Millham

The gold market remained very nervous yesterday and the metal fell by \$21 to close at \$165-106, the lowest level for over two-and-a-half years.

The last time that gold finished below this level in London was on December 14, 1973, although it did touch \$165-106 during trading on July 20 this year.

Trading was not particularly heavy, but fairly persistent selling during the day failed to attract any buying interest. The present series of gold auctions by the International Monetary Funds remains the major dominating factor.

Although the market price remained steady after the first auction, the metal fell sharply after the second, losing \$15 in four days.

FEATURES

Social Security frauds	12	Strategies behind the takeovers	11
French politics at a crossroads	13	Tax reform in the U.S.	6
Turkish Cypriot economy	4	Change in Saigon	5

ON OTHER PAGES

Appointments	8	Leading Articles	12	Wall St. & Overseas	18
Appointments Advs.	8	Letters	13	Weather	2
Arts	3	Lex	24	World Trade News	2
Business Opinions	10	London	2	World Value of the £	9
Company News	14-15	Management Page	11		
Contracts	8	Men and Matters	12	ANNUAL STATEMENTS	
Crossword	2	Money News	15	Electronics, Ltd.	6
Entertainment Guide	2	Money Market	20	Hindwell Steel	15
Finance and Law	20	Overseas News	24	Lon. Elect. & Genl.	14
Foreign Exchanges	20	Railways	24	Siebs Gorman Inds.	4
FT-Academy	20	Share Information	22-23	Siemens AG	7
Home News	7-9	Stock Exch. Report	20		
Int'l Company News	17	The Technical Page	11	INTERIM STATEMENT	
Labour News	18	TV and Radio	2	F. J. Wallis Ltd.	4

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EUROPEAN NEWS

Clash looms over Berlin transit routes to West

BY NICHOLAS COLCHESTER

BONN, August 23.

EAST AND West Germany, the USSR and the three Western powers which control West Berlin appeared today to be locked on a collision course in the dispute about the transit routes that link Berlin to the West.

The West German Government announced that it had asked for another meeting, on Thursday or Friday, of the Transit Commission of East and West Germany which is supposed to settle transit route arguments.

The West German general election campaign badly needs an issue, and the "Berlin question" provides a natural one for the Christian Democrats—the conservative opposition party. Even the Free Democrats, the liberal coalition partners of Helmut

Schmidt's party, the Social Democrats, have shown signs of wishing to align themselves with a sterner counterblast against the East German action. There appears, too, to be disagreement between the Western Allies as to how much they should tailor their response to the soft pedalling of the Social Democrats.

Meanwhile, the Christian Democrats, whose youth convoy to West Berlin was the victim of the East German action that caused the whole argument, are continuing to lambast the Government for the softness of its stance. The Christian Democrat candidate for Chancellor, Dr. Helmut Kohl, has stated that he is in favour of using economic sanctions against East Germany—an idea that is anathema to the Social Democrats who value trading links for the mutual involvement they bring in their wake.

The Soviet Union's intervention—once again through the official Soviet media—provides added grounds for suspicion that the USSR is interested in sustaining tension between East and West Germany. It called the attempt two weeks ago to take the young Germans to Berlin for a demonstration against the Berlin wall "a conscious, planned provocation." More ominously it added that at the

next meeting of the Transit Commission the West Germans would have to explain how "misuse" of the transit routes was to be prevented in the future, if the transit agreement was to continue to function normally.

At the last Transit Commission meeting the East Germans produced Christian Democrat posters and brochures, allegedly from the stopped buses, saying that these were their concrete grounds for suspicion that misuse of the transit route was intended. The West Germans have decided that they cannot accept this material as a justification—

not least because of assertions that the posters did not come from the CDU buses.

Leslie Collitt adds: In their statement on August 14 after consulting with the West Germans the Western Allies said they were very concerned about the violation of the transit agreement. The Foreign Office also expressed its concern about the obstruction of traffic on the autobahn routes. Both Washington and Paris, however, are known to have called for a much more forceful reaction but they eventually gave in to the views of the West Germans. One Allied official says this incident reflects the growing function of West Germany as a "silent partner" and an increasingly influential one "to the four power accord."

Vienna minister visits GDR

BY OUR OWN CORRESPONDENT

VIENNA, August 23.

AUSTRIA'S FOREIGN Minister, Mr. Erich Bieleka-Karl, left Vienna today for a four-day visit to East Berlin where he will meet East German Foreign Minister Oskar Fischer to discuss international and bilateral political and economic problems and some humanitarian cases that cannot be solved under the consular agreement which he will meet below.

This is the first official visit of an Austrian foreign minister to the German Democratic Republic (GDR) since the establishment of diplomatic relations in December 1972. The late East German Foreign Minister Otto Winzer had extended the invitation during a private visit to Vienna in April 1973.

East-West relations after the

Helsinki agreement, the Vienna troop reduction talks and UN problems will figure prominently on the agenda. But discussions will also concern trade expansion. A trade and payments agreement was concluded in 1973, followed by an agreement on technical scientific cooperation.

However, trade, which totalled \$60.5m. last year, remains well below the possible. Austria ranks fifth on the GDR's western imports list, after West Germany, Holland, Switzerland and Britain. Vienna economic circles have complained that trade contacts are limited to a few major Austrian companies and are demanding wider cooperation.

Austria's exports to the GDR are mainly basic chemicals, iron

and steel and engineering products, while imports consist mostly of oil products, coal, machinery and implements. Austria's exports to the GDR rose by 19 per cent in 1974 and by 25 per cent last year but dropped by 28.4 per cent in the first half of this year, which Austrian experts attributed to East Germany's decision to adjust to the new Five Year Plan and the desire to balance bilateral trade by reducing imports and promoting exports.

The visit is Mr. Bieleka's last but one official engagement abroad before his retirement at the end of 68 at the end of September. He is to accompany President Kirchschlaeger next month on a tour of Bulgaria.

Moves to boost Spain's economy

BY OUR OWN CORRESPONDENT

MADRID, August 23.

THE SPANISH Cabinet meets tomorrow to discuss a third round of economic measures aimed at bolstering the country's sagging economy.

The measures under discussion by Prime Minister Adolfo Suarez's Cabinet were hammered out last week by the Finance, Commerce and Agriculture Ministers who stayed at their desks while most of their colleagues were on holiday.

Among moves thought to be under consideration are a ruling requiring private banks to set aside a percentage of their funds to finance exports, and the creation of a loan fund for developing countries which would make it more attractive for them to increase imports of Spanish goods.

Other export promotion schemes on the agenda may not

take in all products, but could concentrate instead on those sectors of the economy, such as capital goods and chemicals, which contributed heavily towards easing the Spanish commercial deficit during the first half of this year.

An attempt to attract more investment to Spain, part of the Government's second package of economic legislation presented two weeks ago, appears to have met with little success. Initial gains have been erased, and the Madrid market at the close of trading last Friday showed a 2.39 point drop in its index for the week. The Bilbao and Barcelona markets showed similar losses. The Madrid market index, which stands at 89.78 as trading begins this week, is less than one point off the low for 1976. Commercial banks, chemicals and textiles

registered the heaviest losses. The net result of purchases and sales of stock in the Spanish equity market by foreign sources in the first six months of this year. The surplus for the same period in 1975 was Ptas.527m. The drop in real terms is even larger since the peseta has devalued by 11 per cent against most major currencies earlier this year.

Investor caution may be linked to the fact that the Government has elected to deal with the economy one step at a time rather than a sweeping full-scale economic statement of policy. One conservative Madrid newspaper noted recently that "an element essential to the positive evolution of our country in the months to come is confidence. If the confidence of businessmen, consumers, investors and savers flags, the (Government) economic action programme will become little more than a declaration of good intentions."

The Spanish Foreign Minister, Sr. Marcelino Oreja, is returning to Madrid for tomorrow's Cabinet meeting after what were described as "unofficial working visits" to West Germany and Switzerland at the weekend. Sr. Oreja noted in Bonn that two leading Spanish Communists, Santiago Carrillo and Sr. Dolores Ibarruri, are not likely to be allowed to return to the country legally at this time.

Sr. Carrillo, who is known to have made several clandestine visits to Spain, is Secretary-General of the Spanish Communist Party and Sr. Dolores Ibarruri, known as "La Pasionaria," is its honorary president and lives in Moscow.

Air traffic chaos eases

BARCELONA, August 23.

SPANISH air traffic controllers today maintained a three-day-old work-to-rule but a backlog of flights eased after a week-end that stranded thousands of holidaymakers in European airports for up to 17 hours.

An Air Ministry spokesman said traffic was returning to normal and an agreement could be reached tomorrow with the controllers on demands for better pay and equipment, and more staff.

Airline officials said traffic controllers in Madrid joined Barcelona in the go-slow during the week-end, adding to the chaos since the two centres virtually control Spain's airspace. "Flights

are now running more or less normally—after a fashion," said an official here of the Spanish national airline, Iberia.

In Britain, an estimated 12,000 Spain-bound holidaymakers were being held up or faced delays during the next few days. An Alitalia spokesman said their flights were running 30 minutes behind schedule.

Flights to Barcelona, which serves the Costa Brava resorts, to Girona, and to Palma de Mallorca, were running late yesterday. Airline officials said an improvement in schedules today could see the two centres virtually control Spain's airspace. "Flights

Price rise on agenda of Opec commission

VIENNA, August 23.

THE ECONOMIC commission of the Organisation of Petroleum Exporting Countries (Opec) met here today to discuss a possible increase in the crude oil price in the face of continuing Western inflation.

Opec officials said the system of price differentials—special premiums charged on top of the price of standard crude for higher quality or for use in consuming countries—and the impact of inflation on prices of imported Western goods would be high on the agenda.

The economic commission is charged with preparing a report for the next Opec ministerial conference scheduled for Qatar on December 15, where a decision on the oil price as of January 1, 1977 may be made.

Informed sources said, however, that a ministerial meeting might be held earlier as some of Opec's 13 members are pushing for a rise in the autumn.

Opec Ministers failed to agree on a new price rise at their last meeting in Bali in May because of Saudi Arabian opposition.

The current price of standard-quality crude oil is \$11.51 per barrel. It was last raised in October 1975.

Iranian Oil Minister Mohammed Sadli, who is president of the conference, said a decision on whether or not an extraordinary ministerial meeting is to be held will be made after the commission finishes its work.

Iranian sources, however, said that Mr. Sadli had already instructed the Opec secretary-general to make arrangements for a special session, although for security reasons the date and place had not yet been set.

Agencies

Luna spacecraft returns with rock samples

MOSCOW, August 23.

TASS, the Soviet news agency, announced today that the Luna 24 unmanned spacecraft landed in Siberia on Sunday, bringing back rock and soil samples from the moon in the first successful Russian lunar mission in two years.

A six-foot core of the lunar surface is to be studied in a special Soviet Academy of Sciences laboratory in Moscow, and samples are to be sent for examination by scientists in other countries.

Tass hailed the 15-day mission of Luna 24 as "a new milestone for Soviet science and technology." Although two previous robot craft brought back moon rocks, the last attempt—by Luna 23 in November, 1974—failed when the craft crashed on the moon's surface.

UPI

Juliana facing growing crisis

THE HAGUE, August 23.

QUEEN JULIANA of the Netherlands is returning home from Italy today to face a mounting constitutional crisis following a Government probe into allegations that her husband, Prince Bernhard, took bribes from the Lockheed aircraft company, to push its sales.

It is believed the 67-year-old Queen may abdicate if she and the Cabinet fail to find some way of handling the findings of a three-man inquiry commission without casting a slur on the Prince's name.

Mr. den Uyl set up the commission in February to look into allegations that Prince Bernhard, 65-year-old Inspector-General of the Dutch forces, took \$1,100,000 in payments from Lockheed. The Prince has denied taking the money. Reuter

THE TURKISH ECONOMY

Up by its bootstraps

BY METIN MUNIR, RECENTLY IN CYPRUS

THE MOROSE Kyrenia hotelier leaned across the reception desk and wiped the sweat from his brow. "We are going to sink," he said. "We are going to sink without a trace."

He was grumbling about the state of the economy, a thing which has become almost a national habit with Turkish Cypriots two years after the war on the island. Complaints range from the difficulty of obtaining pipe tobacco to the greater difficulty of securing foreign currency allocations. Both are justified.

But although they are not doing as dramatically well as their Greek Cypriot compatriots in the south, the Turks, with substantial aid from the mainland, have made significant progress in their 36 per cent of the island. They are nowhere reaching the pre-war production level yet. This, according to Mr. Rauf Denkash, "President" of the "Turkish Confederated State of Cyprus," is expected to happen within two or three years, "when we shall be able to fry in our own oil."

The biggest progress has been made with infrastructure. An automatic telephone system has been installed with limited access to the outside world through Turkey. The link missing in the main highway system between Famagusta harbour and the rich agricultural plains of Morphou in the west, has been completed. An electricity power plant has been built. Another one is under construction, and so are oil storage depots and electricity lines. There is even a small television station which interlinks the transmission of hotels left behind by the 160,000 Greek Cypriots who fled to the south during the 1974 war. The number of tourists other than Turks who arrived last year was little over 4,000, and industrial exports this year amounted to no more than several hundred thousand dollars.

The overall picture, however, is not as bleak as the figures might suggest.

There is an equally low performance in the factories and workshops. Second, economic aid from Turkey, amounting to an average \$16m. annually, is partly making up for the deficiency of funds and keeping the standard of living high.

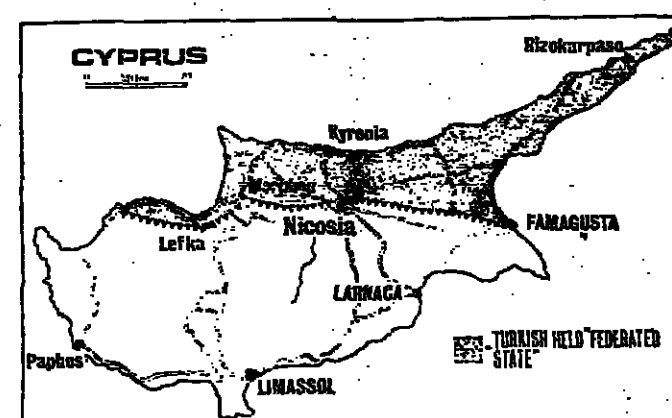
Turkish Cypriot businessmen have shown a lot of initiative. For instance, one of them has recently started air-freighting fresh vegetables to London; country,



Archbishop Makarios



Mr. Rauf Denkash



CYPRUS

Another will soon put into use a hydrofoil between Kyrenia and the mainland.

Turkish experts believe by the end of the decade (currency earnings will reach \$25m. mark, enabling the economy to sustain a good rate and a high standard of living).

The overall economic picture as the expensive infrastructure investments demonstrate, make the Turkish state a rate entity not dependent on the south. This is a pre-emptive move to prevent the Greeks and Turks of Cyprus only live in peace and prosperity separate zones of their own.

The Turkish policy is to have a new constitutional of two federated ethnic governments by a figurehead government. The Turkish of this system has already complicated, with elections took place last month given Denkash and his party year under Denktash.

President Makarios, who sides himself the sole ruler of the island, is to the Turkish solution to it will leave very many displaced and homeless talks between the sides yielded no positive. Although the UN is a process of trying to re negotiations, the hopes of ing a settlement are existent.

For the foreseeable future island will remain split, community is going its own way. The Turkish state, although internationally recognised, taken roots. All formerly towns and villages have given Turkish names as settled with Turks from the south and the land (these number Road signs and posters in Turkish and English have new registration in There are Turkish Cypriot courts, a police force, and a military force. Cyprus is a small island, but already for instance, one of them has recently started air-freighting fresh vegetables to London; country,

Demirel insists on Greek demilitarisation of islands

ANKARA, August 23.

THE TURKISH exploration ship Sismik 1, which is searching for oil in the disputed Aegean Sea, returns to port tonight to take on more sophisticated scientific equipment.

The ship, centre of a row between Turkey and Greece, has been at sea for five days taking seismological soundings. No incidents have been reported. The 1,300-ton converted sea rescue vessel will also have a week of overhaul in the Aegean port of Izmir.

The vessel's latest mission, the third of six, passed off in a less explosive atmosphere than previous voyages, which had produced fears of a military confrontation between the two countries.

Greece and Turkey both have claims to the Aegean continental shelves, and are locked in a bitter dispute over rights to the mineral riches of the seabed.

Eye-witness accounts reaching Ankara said Greek warships shadowing the Sismik had kept at a greater distance from the ship on this mission than in the past.

Tension between Greece and Turkey was considerably reduced when Athens returned the issue to the United Nations Security Council, complaining that the Sismik represented a threat to Aegean peace. The council is still considering the matter.

During the vessel's latest voyage Turkey appears to have taken a more aggressive stance, attacking the Greek position in the Aegean as well as defending Turkey's rights. Reuter

UPI adds from Athens: Cypriot President Archbishop Makarios has talks today with Premier Constantine Caramanlis and other top Greek officials on the Cyprus problem and the recent Non-aligned Summit Conference in Sri Lanka, a government spokesman said.

Sampson pleads guilty Makarios coup charge

BY OUR OWN CORRESPONDENT NICOSIA, August 23.

MR. NICOS SAMPSON, the republic Mr. Loucas Loz former EOKA guerrilla who became Cyprus's "president" for the eight days after the anti-Makarios coup of July 1974, today pleaded guilty to a charge of "aiding in the carrying on of warlike operations" and of illegally usurping the office of president. The charge carries a maximum of life imprisonment.

The prosecution dropped a second charge which said Mr. Sampson had used armed force against the republic. Mr. Sampson, 41-year-old newspaper publisher, entered a plea of as guilty when his trial was resumed today before the Nicosia elected president Arcasides following a Supreme Court ruling last week dismissing Loucasides' appeal. The trial was adjourned until 7 p.m. when Mr. Sampson's Deputy attorney-general of the make a plea for mitigation.

The accused was "The accused was promptly and shamelessly published, entered a plea of as guilty when his trial was resumed today before the Nicosia elected president Arcasides following a Supreme Court ruling last week dismissing Loucasides' appeal. The trial was adjourned until 7 p.m. when Mr. Sampson's Deputy attorney-general of the make a plea for mitigation.

Deputy attorney-general of the make a plea for mitigation.

WALLIS

F. J. WALLIS LIMITED

INTERIM STATEMENT

26 weeks ended 26th June, 1976

I am pleased to announce that the unaudited net profit for the 26 weeks to 26th June, 1976, amounted to £1.49. Comparative figures are:

	26 weeks to 26th June, 1976	26 weeks to 26th June, 1975
Turnover	37,924,000	30,111,000
Net profit before taxation	1,493,000	1,212,000
Taxation estimated	776,240	606,000
Net profit after taxation	716,760	606,000

During the first half year we have seen a continuation of squeeze on consumer incomes and pressures on gross margins from increasing competition, with multiple and independent fighting to retain their share of the market. Other influences which were not foreseen at the beginning of the year contributed to make trading even more difficult. To quote instance, additional competition from shops and supermarkets run by some of the major food retailers, which have close discounts, has had to be met.

We are pleased, therefore, that the turnover increase of which has been achieved despite the opening of only additional store, although our stores at Dartford and Upm, opened towards the end of 1975, have contributed significantly towards this rate of growth. Trading conditions for the 2nd half of the year do not at the present time, appear as if they will be any easier.

In the first half year we have absorbed the full impact of 66 per week pay award without an escalation in our wage and all other overheads have been kept very much under control. We have made significant savings in our Head Office overheads without affecting the service to our stores. There has also been a considerable improvement to our cash resources, which strengthened our already sound financial position.

We are in a good position, therefore, to meet the challenges of the second half year, which will be met with our usual approach.

In June we accepted the resignation of Mr. George Haley, Buying Director, for many years. Meanwhile the Chairman presiding over the Company's buying operations.

The Board are proposing to pay an interim dividend of which will be paid on the 8th October to Shareholders registered at close of business on 17th September, 1976.

D. R. GYNN, Chief

Corsica wine depot dynamited

Just a year after the Aleria gun-battle in which French and Algerian soldiers were killed, separatist violence has again flared up in Corsica with the dynamiting of a wine depot near the eastern town of Pisaniccia, writes Rupert Cornwell in Paris.

This time no one was killed and the police were careful not to shoot. But the 10-man band responsible was led by Dr. Max Simeoni, former leader of the banned Association for the Rebirth of Corsica (ARC), whose younger brother Edmond was sentenced to five years' imprisonment for his part in the Aleria incident.

As on that occasion, the target chosen was a wine depot owned by one of the resettled pieds noirs from Algeria, whose allegedly favourable treatment by the French authorities is one of the main complaints of the autonomists.

Damage from the latest incident is estimated at £700,000 and the matter has been referred to the State Security Court in Paris. Police officers who went to Dr. Simeoni's home yesterday morning were told that he had taken to the hills with his followers.

In contrast to last year, however, the incident seems unlikely to become the spark to ignite long-smouldering grievances. It is merely one of the continuing measures taken by Paris after last summer's violence have

gone some way towards defusing the situation.

French Press strike

THE French journalists union yesterday called a one-day national strike for Thursday to back the staff of the newspaper France-Soir who have been on strike for a week. Reuter reports from Paris. France-Soir journalists are protesting against the sale of a half-share of the newspaper to M. Robert Hersant, who already owns the morning daily Le Figaro and provincial papers.

Seveso aid

Swiss President Rudolf Gnani yesterday offered Italy any help it may need for inhabitants of the Seveso region evacuated from their homes following the leak of poison gas from a Swiss-owned chemical factory, UPI reports from Bern.

W. German exports

The index of West German export prices rose to 122.8 in July, 4.9 per cent higher than in July, 1975, while the index of import prices was up by 10.3 per cent. Year-to-year to 1975, the Federal Statistics Office said yesterday, AP-DJ reports from Wiesbaden. The indices, based on 1970 equals 100, are not seasonally adjusted.

Kohl offensive

Dr. Helmut Kohl, leader of the Christian Democratic Union Party (CDU) launched his party's

federal election campaign today by accusing the ruling Social Democrats of over-taxing and over-governing West Germany. Reuter reports from Bonn. Speaking at a Press conference here, the CDU leader said the Social Democratic Party (SDP) was also too soft on Communism and terrorism.

Irish bank strike

Bank officials are expected to announce today whether the two-month-old bank strike in the Republic will end or continue, writes Our Dublin Correspondent. A ballot by 10,000 employees has rejected by an overwhelming majority a productivity deal which would have given them an extra 2.6 per cent in two stages. Bank officials' union leaders last night met the Minister for Labour to consider ways to end the strike.

Czech goals

Some 120 major Czechoslovakian industrial plants have failed to fulfill their seven-month plans this year, Tanjug, the Yugoslav news agency, reported from Prague yesterday. Most of the companies deal in fuel and heavy machinery and foodstuffs, AP-DJ reports from Belgrade.

In Houston, Texas

One of the world's finest condominium tower

residences. Tower suites, penthouses, townhouses, and studio residences are being offered. Complete safety and security program as well as a full range of facilities. Immediate occupancy is available. Priced from \$94,000 to \$470,000.

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Created by Mark Lee & Associates, Inc. and
New England Mutual Life Insurance Company

South African balance of payments deficit soars

GRAHAM HATTON

price of gold dipped to level, the South African Bank to-day disclosed a balance of payments deficit of \$1.1 billion for the first half of 1976. The deficit was the largest since 1972, when it reached \$1.2 billion. The bank said the deficit was caused by a combination of factors, including a fall in the price of gold, a rise in the price of oil, and a decline in the value of the rand. The bank also said that the deficit was exacerbated by a rise in the price of gold, which had fallen from \$1,000 an ounce in 1975 to \$800 in 1976. The bank also said that the deficit was exacerbated by a rise in the price of oil, which had risen from \$10 a barrel in 1975 to \$20 in 1976. The bank also said that the deficit was exacerbated by a decline in the value of the rand, which had fallen from 1.5 to the dollar in 1975 to 1.8 in 1976. The bank also said that the deficit was exacerbated by a rise in the price of gold, which had fallen from \$1,000 an ounce in 1975 to \$800 in 1976. The bank also said that the deficit was exacerbated by a rise in the price of oil, which had risen from \$10 a barrel in 1975 to \$20 in 1976. The bank also said that the deficit was exacerbated by a decline in the value of the rand, which had fallen from 1.5 to the dollar in 1975 to 1.8 in 1976.

Toyota agrees steel price rise

CHARLES SMITH

PANES steel industry's price rise to 10-15 per cent, Toyota agreed to raise its prices to 10-15 per cent. The agreement was reached after a series of negotiations between the two companies. Toyota said that the price rise was necessary to cover the cost of the steel price increase. The agreement was reached after a series of negotiations between the two companies. Toyota said that the price rise was necessary to cover the cost of the steel price increase. The agreement was reached after a series of negotiations between the two companies. Toyota said that the price rise was necessary to cover the cost of the steel price increase.

easing alert Korea

SEUL, August 23.

UNITED STATES and Korea kept their troops high state of alert to-day. North Korean President Kim Il-sung's message indicating that the North Korean army was ready to attack the South. The message was received by the United States and South Korea. The message was received by the United States and South Korea. The message was received by the United States and South Korea.

Palestinian refugees move to Christian town

BEIRUT, August 23.

THE PALESTINE Liberation Organisation has begun plans to relocate several thousand Palestinian refugees from Tel al Zaatar to a new town. The new town is located in the Christian town of Beirut. The new town is located in the Christian town of Beirut. The new town is located in the Christian town of Beirut.

New quake in Philippines

HONG KONG, August 23.

Righter scale struck the Gulf of Moro off Cotabato at 03.43 GMT. The survey said that an earthquake measuring 6.5 struck western China between Szechwan and Kiang provinces 13 minutes earlier. The Royal Observatory in Hong Kong also reported a tremor in sparsely populated Szechwan. UPI adds: The aftershock rocked the town of Cagayan de Oro, 480 miles south of Manila and rumbled through the further south, where 3,000 refugees from last Tuesday's earthquake are housed.

aser flees from angry demonstrators

CANBERRA, August 23.

SECURITY arrangements for Prime Minister Mr. Fraser have been broken down. The Prime Minister was surrounded by a large crowd of angry demonstrators. The Prime Minister was surrounded by a large crowd of angry demonstrators. The Prime Minister was surrounded by a large crowd of angry demonstrators.

CHANGE IN SAIGON

Hanoi running out of patience

BY RICHARD NATIONS IN BANGKOK

SINCE the Communists came to power in Saigon 15 months ago, then it is damn good for the people. Hanoi has treated the urban population of the South with considerable caution in the past year. Reconciliation has been the official line, and persuasion rather than purges has proven the instrument of political change. The reason is not simply because Hanoi's fear of provoking resistance and non-cooperation from a potentially hostile population in the South. It is the consequence of Hanoi's policy to look abroad for reconstruction aid from a variety of sources, as well as from the multilateral development agencies and, in some cases, private foreign investment. Only heavy imports of capital and technology can allow Vietnam to avoid the in-fighting and political confrontation that the path of total self-reliance and economic autarky entail. Hanoi's decision to look abroad has therefore created the margin for some leniency towards the South at least for the time being. There has not been the compulsory collectivisation of farms in the South as in the Soviet Union in 1929, nor have the South Vietnamese been forced to leave the cities—the alleged fate of the residents of Phnom Penh when the Communists took over—even though Hanoi says there are about 5m. excess urban dwellers in the South. "Mixed," "Capitalist" and "private" are among the five sectors officially recognised for the South in the new Five Year Plan. "Capitalists" and "businessmen" in trade and industry operating with family labour and a small number of employees are not harassed by the regime, but encouraged to increase production. Only the "Comprador class"—the large grain merchants, the import-export dealers, the large shipping concerns, and all those suspected of market manipulation and "economic sabotage"—have come under strong pressure from the authorities. Skills are valued. Vietnamese engineers and architects working for a former USAID contractor were asked by the authorities to return to work on the "Tong Nhon" railway from Saigon to Hanoi. Their pay was reduced by a quarter. And the systematic liquidation of Communist Party members in the South—had been ruthlessly effective, leaving no more than an estimated 2,000 hard-core Communist cadres in Saigon at the time of its fall. The shortage of skilled and experienced political cadres in the South itself contributed to the cautious pace of social change. It also created a vacuum filled by a flow of bureaucrats and Party men from the North and raw, politically untamed "Bo Dois" (Northern soldiers) from the jungle. The authorities over the urban first gave the "liberation" more poor. Conditions in some of the former slum dwellers are returning to beg on the streets of Saigon. There are still, at least 200,000 people in the re-education camps. The friends and relatives of Americans from Saigon, who their friends bribed their way out of re-education camps or off the list of those to be moved over, one back American, who spent nine months in a re-education camp in the Delta, said conditions were little different from those of a labour camp. "The only education was survival. We had to live off the land with no shelter at night and no medicine when one was sick. The Vietnamese believe that if you're weak you're no good." Diplomatic observers here feel that if the external aid which Vietnam seeks is not forthcoming, the unemployed squeeze a living by queuing at ration shops for hours and then selling their quotas on the open market where prices are much higher than the controlled ones. Anti-biotics are almost non-existent except in the burgeoning "under-the-counter" sector. A black market thrives in dollars at ten times the official exchange rate and diamonds at twice world market prices. The rich continue to live comfortably, if only through disinvestment. The thieves' market continues its brisk trade in cameras and stereos and the red lights on Tu Do Street are no more revolutionary when the "Bo Doi" visit the girls than they were for the GI before them. There are clear signs, however, that Saigon's period of grace may be coming to an end. The returning Americans report a noticeable tightening of security in Saigon over the past few months. The policy of propaganda and incentives to move people out of Saigon into the "New Economic Zones" (NEZ) is reportedly giving way to the more dubious leverage of the rice ration system. The authorities over the urban first gave the "liberation" more poor. Conditions in some of the former slum dwellers are returning to beg on the streets of Saigon. There are still, at least 200,000 people in the re-education camps. 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The rich continue to live comfortably, if only through disinvestment. The thieves' market continues its brisk trade in cameras and stereos and the red lights on Tu Do Street are no more revolutionary when the "Bo Doi" visit the girls than they were for the GI before them.

There are clear signs that Saigon's period of grace may be coming to an end, and there has been a noticeable tightening of security over the past months.

according to the company's former managing director, Mr. Fred Gulden, the transition to the new North Vietnamese management was smooth. Even those in the USAID's official "high risk category" only went through a few hours of "only went through a few hours of" re-education. This was, it is understood, the pattern for many other employees of foreign firms. Despite Hanoi's policy to spare the South from the shocks of political change, there has been some friction. The differences between North and South are too great. In the North, for more than a decade, the entire economic surplus has been poured into the war effort. In the South, the rural areas have been showered with defoliant and explosives and the cities with dollars and consumer goods. And added to 21 years of separate and antagonistic development there are 3m. unemployed and hundreds of thousands more drug addicts, prostitutes, orphans and cripples. The North, furthermore, was not prepared for the smooth take-over of Saigon which it did not expect for another year. The American Phoenix programme—

DKB'S ECONOMIC JOURNAL

August 1976: Vol. 5 No. 8

Business registers steady recovery with individual consumer spending firm

Domestic business has been following a steady path for recovery after a short-lived slowdown in the April-June quarter in the wake of a sharp upswing in the January-March quarter. The rally of domestic business is attributable mainly to the continuous increase of exports, the steadying of housing construction and the stiffening of personal consumption expenditure. Against this encouraging backdrop, production and shipments in the mining-manufacturing sector have been swelling. However, the advance of prices has continued unabated, offering a cause of concern in the way of the future business recovery.

Mining-mfg production
The increase of mining-manufacturing production, which continued to slow down since the April-June quarter of last year, recovered in the January-March quarter of this year by registering a sharp gain of 5.8 per cent over the previous quarter on a seasonally adjusted basis. The comparable increase continued high at 5.3 per cent in the April-May period. Mining-manufacturing production is expected to fare well for some time when judged on the basis of the manufacturing production forecast index.

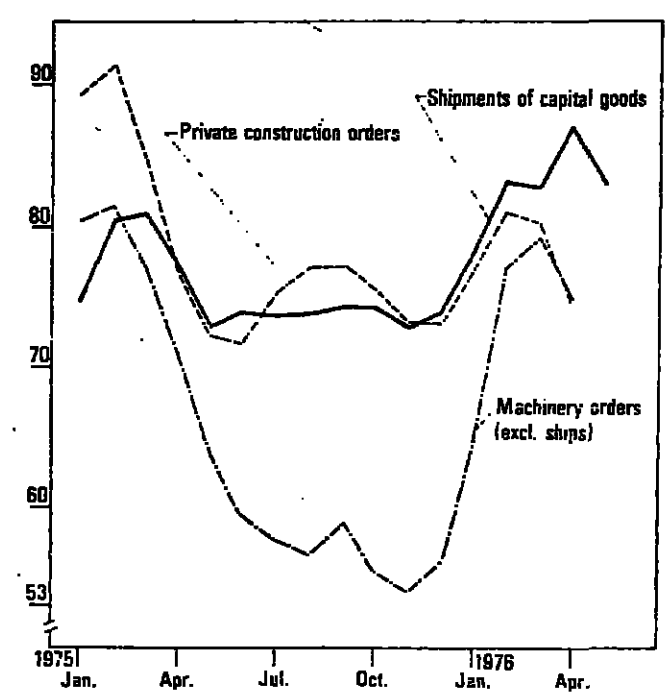
Shipments in the mining-manufacturing sector
registered a sharp gain of 5.7 per cent in the January-March quarter of this year over the previous quarter. The basic keynote of shipments since has continued stiff, although the gain in the April-May period slowed down modestly to 3.7 per cent.

On the other hand, inventories of manufactured products held by producers registered a sharp decrease of 1.5 per cent at the end of January-March quarter from that of the previous quarter, a moderate dip of 0.1 per cent in April and a slight gain of 0.2 per cent in May. As a whole, inventories are expected to decrease for the time being.

The employment environment, which showed signs of improving modestly earlier, began to deteriorate again in May, apparently under the impact of the production slowdown in May. Along with the rally of production, the employment climate is likely to improve gradually in the future.

MAJOR INDICES FOR EQUIPMENT INVESTMENTS

(Oct.-Dec. 1973: 100; seasonally adjusted)



Note: Three-month averages for private construction orders and machinery orders.

the poor agricultural crops resulting from globally adverse weather conditions.

—The domestic supply-demand balance is destined to improve slowly and moderately along with the recovery of domestic business.

—Enterprises are strongly desirous of raising the prices of their products as exemplified by the recent advances of the prices of petroleum products and steel mill products.

Consumer prices also have continued stiff. The Tokyo consumer price index in June, for example registered an advance of 0.9 per cent over the previous month and 9.7 per cent over a year ago.

The stiff keynote of consumer prices is expected to continue for some time in view of the forthcoming raises of the consumer price index and public utilities charges, such as electric power and city gas as well as the impact of soaring wholesale prices.

Monetary situation
As to the monetary situation, the money market generally enters the fund short period in August due to seasonal factors. The fund shortage on the money market in the current year as a whole is likely to stay almost at the same level as in the previous year.

However, a calm situation will continue in the money market, since the monetary policy is expected to remain unchanged in the meantime.

On the other hand, corporate finance this year is expected to hold a sufficient leeway for the following reasons: 1) the Bank of Japan has placed its window guidance (the increase of bank loans over the year-ago level) almost at the same level as a year ago; 2) however, corporate demands for less constructive funds generally will decrease in view of the progress of inventory adjustment and the recovery of corporate business performances; 3) the growth of demand for operating funds will stay relatively modest; the climate still is not favorable enough to spur the rally of constructive funds, such as those for plant and equipment investments.

Corporate finance thus generally is destined to continue relatively lenient in the meantime as a whole, although there still will be a gap among different industries and corporations.

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ROY HODSON

Barker and Dobson still pay ex-chairman £1,250 monthly

MICHAEL LAFFERTY, CITY STAFF

**Atlantic
passengers
up 11%**

Michael Donne

ENGINE TRAFFIC on the Atlantic air route this year is showing a substantial increase over the scheduled airlines belonging to the International Air Transport Association carried 3.2m. passengers between America and North America the first five months—11 per cent more than in the same period of last year. The number of seats offered also showed a rise—6 per cent to more than 5.8m.—in spite of this the overall factor (the number of actually sold) rose slightly per cent. Charter operations of the scheduled airlines also showed a decrease, amounting to 2.5 per cent, with nearly 1.5m. passengers carried. This is the success of the air response to the challenge of the independent airline competition the route.

As a result, total traffic on the Atlantic route by the members, rose by 12.7 per cent more than 3.5m. passengers the first five months of

times diggers
limited
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Own Correspondent

RE-HUNTERS, using
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of the Department of
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annual phone bill.

Bulldog 200 has its maiden flight

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PROTOTYPE of a new light civil and military transport and training aircraft, the Bullfinch/Buildup 200, has just made its first flight from Prestwick Aviation, the home of Scottish Aviation.

Powered by a single U.S. Avco Lycoming propeller engine, it is a four-seat, low-wing monoplane, with a retractable undercarriage, that is designed to sell in two markets.

The civil version, called Bullfinch, will be offered as an aerobatic, sports and touring aircraft. The military version, the Buildup 200, will be offered

as a primary trainer but will be capable of other uses.

Production is continuing of the smaller Bulldog, of which more than 250 are already in service. The Bullfinch/Buildup 200 will enable Scottish Aviation to present a range of civil and military variants to expand the company's share of world light aircraft markets.

The prototype will be appearing at the Farnborough show next month. Given the series go-ahead, production aircraft are expected to be available by the end of next year.

Policyholders Board raises first levy

BY CHRISTOPHER HILL

THE FIRST of the long-term business levies allowed under last year's Policyholders Protection Act is being raised by the Policyholders Protection Board.

Fixed at the rate of 0.25 per cent. of premium income for last year in respect of policies effected after the end of 1974, the levy will amount to £1.6m. in cash terms.

It will be used to finance interim payments at a 70 per cent. level to policyholders of Capital Annuities (now in the process of liquidation) and to the other two parts of the Board—legal and administrative, up to the end of next March.

An interim payment of 70 per cent. to the policyholders of the liquid life (and life annuity) liquidation has already been secured by means of an indemnity.

The Board was set up in November to protect the policyholders of companies in liquidation by drawing where necessary on the funds of the insurance industry.

It is empowered to draw up to 1 per cent. of premium income a year, so the current levy is only a quarter of what might have been drawn, but life companies say it is policyholders' money which is being used in this way.

Property man must go on trial, sureties told

A. WIMPOLE street, London, dental surgeon and a merchant banker were told by an Old Bailey judge yesterday that they had a "moral obligation" to do their best to see that the accused, who was charged with his trial next month on charges involving more than £12m. under the 1947 Exchange Control Act.

Ernest Wolfgang Brauch, aged 43, of 19, St. Albans Place, Regent's Park is accused of failing to offer foreign currency for sale to an authorised dealer at the current rate on the foreign exchange market.

The charges involve £1,618,076 in German D-Marks and Swiss francs.

Mr. Joseph Yahuda, represented by two sureties for Mr. Brauch, Mr. Wilfred Watson, the dental surgeon and Mr. Lazare

Spiro, the merchant banker, accused Judge Bernard Gillis that they should be relieved of their responsibilities for Mr. Brauch.

Each man had offered a surety of £100,000.

Mr. Brauch had been granted bail in his own recognisance of £20,000.

Mr. Yahuda made his application for bail pointing out that Mr. Brauch had not been heard of since August 5, and that he had failed to meet the requirements of his bail by reporting to the police.

Judge Gillis adjourned the application until September 13, when the trial of Mr. Brauch is due to begin.

The court said both sureties had legal obligations and it was in their best interests to try to get Mr. Brauch to appear.

Legal 'watchdog' post for Miss Herbison

MISS Margaret Herbinson, a former Government Minister, has been appointed "public watchdog" to investigate allegations about treatment by the Law Society of public complaints against Scottish solicitors or their employees.

The part-time appointment, made by the Secretary for Scotland, was announced in Edinburgh yesterday.

Miss Herbinson, aged 69, said she would not be dealing with complaints against solicitors. She would be a lay

observer of the Law Society's handling of complaints, with powers to refer cases to the Scottish Solicitors Disciplinary Tribunal.

She would be able to be reached between the Law Society and the complainant.

The appointment, which carries a salary of £2,400 a year, is for a two-day week. Miss Herbinson, chairman of the Labour Party in Edinburgh, was born in Inverclyde North from 1945 to 1970. Minister of Pensions and National Insurance from 1964-66, and Britain's first Minister of Social Security

Information for Siemens Shareholders

International business on the increase

During the first nine months of the Company's current financial year, **orders received** declined by 4% to £ 3,547 million. Business within the Federal Republic of Germany developed more favourably than the recorded decrease of 10% would indicate, since the Investment Assistance Law in that country positively influenced **new orders** during the preceding year. International business showed an improvement, rising 3% to £ 1,855 million.

The Company's individual Groups and Divisions showed widely varying trends. After a pronounced low in the preceding financial year, the Components Group has already reported new order gains of approximately 25%, while most other sectors are likewise feeling the first stirrings of a revival. Orders received by the Telecommunications Group, however, are markedly below last year's levels. Siemens expects to close the current financial year, ending 30th September, with a total volume of new orders roughly commensurate with that of a year ago.

Worldwide sales increased 8% to £ 3,210 million during the first three quarters. Here again, international business outpaced domestic and, for the first time in history, will probably amount to £ 2,200 million by the end of the current financial year. This is the continuation of a trend,

	1/10/74 to 30/6/75	1/10/75 to 30/6/76*	comparable change
Orders received (in millions of £)			
Domestic operations	2,757	2,655	- 6%
less export orders	915	963	+ 3%
Domestic business	1,842	1,692	- 10%
International business	1,740	1,855	+ 3%
	3,582	3,547	- 4%
Sales (in millions of £)			
Domestic operations	2,206	2,456	+ 8%
less export orders	725	824	+ 10%
Domestic business	1,481	1,632	+ 7%
International business	1,374	1,578	+ 10%
	2,855	3,210	+ 8%

* Including Osram (since 1st January 1976).

* Because of Osram's inclusion, percentages restated for comparability.

All amounts translated at Frankfurt middle rate on 30th June 1976: £ 1 = DM 4.589.

begun five years ago, in which static conditions in the electrical equipment market in the Federal Republic of Germany have been accompanied by an expansion of international business. Siemens responded to this trend early on by engaging in substantial investment abroad, thereby simultaneously providing an essential prerequisite for the further development of export sales. The broad geographical distribution of sales helped significantly to ameliorate varying capacity utilization.

The decline in new orders and, to some extent, changes in technology were responsible for a comparable 4% decrease in the number of employees worldwide. The number of employees affected by short time work in the Federal Republic of Germany has diminished from 31,000 to 15,000 since the start of the financial year.

Capital expenditures and investments, net of the first-time consolidation of Osram, remained somewhat below levels for the preceding year.

Inventories were reduced to 35% in relation to sales.

The net income of £ 74 million represents 2.3% of sales. The net margin for the entire 1974/75 financial year was 2.4%. Total sales for the current financial year are expected to increase to more than £ 4.500 million.

	30/9/75	30/6/76*	comparable change*
Order backlog (in millions of £)	3,780	4,004	+ 6%
Employees (in thousands)			
Domestic operations	207	208	- 6%
International operations	89	96	- 1%
	296	304	- 4%
	1/10/74 to 30/6/75	1/10/75 to 30/6/76*	comparable change**
Employment cost (in millions of £)	1,387	1,562	+ 8%
Capital expenditures and investments (in millions of £)	178	239	
less Osram's fixed assets and investments		[72]	
Inventories (30th June)			
in % of sales	39%	35%	
Net income (in millions of £)	76	74	
in % of sales	2.7%	2.3%	

Innovation boost from microprocessors

The world market for large-scale integrated circuits is expected to triple by 1980. Microprocessors will account for a large share of this market. In addition to their other uses, they form the nucleus of microcomputers which in turn are

finding wide acceptance, thanks to their universal applicability and economy of operation. Siemens offers a complete line of microcomputers. Here, the compact micro-processor is shown being inserted into one such computer.

Siemens AG In Great Britain: Siemens Ltd.

APPOINTMENTS

de ZOETE & BEVAN

ECONOMIST

- de ZOETE & BEVAN are seeking to expand their Economic Research Unit and wish to recruit a well-qualified Economist. This appointment offers a highly attractive career, with considerable scope for initiative.
- CANDIDATES, who are unlikely to be less than 30 years old, should have a First or good Second Class Degree in Economics and a thorough working knowledge of macro and monetary economics. Several years of City experience will be a distinct advantage.
- APPLICATIONS, which will be treated in the strictest confidence, should be addressed to K. B. Sinclair at de Zoete & Bevan, 25 Finsbury Circus, London EC2M 7EE.

LEGAL NOTICES

No. 002229 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court.
In the Matter of G. ARNOLD & CO.
(INCORPORATED IN THE NETHERLANDS)
NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was presented to the said Court by the Liquidator of the said Company on the 17th day of August 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 11th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Wm. F. PRIOR & CO.,
Solicitors for the Petitioner,
Temple Bar House,
25 St. Paul Street,
London, EC4A 3DF.

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CONTRACTS AND TENDERS

Democratic and Popular Republic of Algeria

Ministere de l'Industrie et de l'Energie

Societe Nationale de l'Electricite et du Gaz

INTERNATIONAL INVITATION FOR PRE-SELECTION

SONELGAZ is planning to acquire equipment relating to general mechanics, electricity and electro-techniques for:

1. A central workshop for the upkeep and repair of its power stations comprising steam, gas and hydraulic turbines.
2. Five workshops intended for the general upkeep of 5 new gas turbine plants.

Companies interested in the above should submit references before September 30, 1976.

Documents should be addressed to:
SOCIETE NATIONALE DE L'ELECTRICITE ET DU GAZ
Direction de l'Equipelement Electrique
Département: Moyens de production thermique et hydraulique
2 boulevard Salah Bouakouir—Algiers (Algeria)
Tel.: 64.82.60 Telex: 52 898 Alger.

Democratic and Popular Republic of Algeria

Ministere de l'Industrie

et de l'Energie

S.O.N.E.L.G.A.Z.

INTERNATIONAL INVITATION TO TENDER

An International invitation to tender has been launched for the supply of material intended for the construction work of the gas pipe-line "42 HASSI R'MEL-OUED ISSER".

- Lot No. 2: Scraper centres
Lot No. 3: Insulating joints

Tender documents may be obtained from SONELGAZ, Service Equipment Gaz, 2 Bd. Salah Bouakouir, 3ème étage, Algiers (Algeria).

Tenders should be submitted by September 30, 1976 at the latest.

NOTICE OF INVITATION TO PREQUALIFY FOR CONTRACTORS

The Provisional Military Government of Socialist Ethiopia has applied to the Government of the Federal Republic of Germany for Capital AID for financing the improvement of Awassa-Dilla road (Asphalt Paving-Party realignment) by means of a loan from Kreditanstalt für Wiederaufbau and it is intended to apply the proceeds of this Credit to payments under contracts for which this invitation to prequalify is issued. Payments out of the funds of the requested Capital AID loan would be made only upon approval by the Kreditanstalt für Wiederaufbau of an application presented by Ethiopian Road Authority in accordance with the terms and conditions of the Credit Agreement and will be subject in all respects to the terms and conditions of that Agreement.

The Projects
Awassa-Dilla is 85 km. long and starts at Awassa about 276 km. south of Addis Ababa.

Major Construction Items are—

1. Unclassified excavation about	595,000 M ³
2. Borrow excavation about	2,000 M ³
3. Processed sub-base material about	195,000 M ³
4. Crushed aggregate base course about	155,000 M ³
5. Surface Treatment Aggregates about	17,000 M Tons
6. Asphalt about	24,000 M Tons
7. Drainage works (Major items)	2,000 M C.C. Pipes 80 Tons concrete 80 Tons steel
8. Bridges 7 with about	2,300 M ³

Prequalification Questionnaire forms may be obtained from Contract Construction Division, Ethiopian Road Authority P.O. Box 1770, Addis Ababa Ethiopia.

Contractors are expected to fill in the pre-qualification questionnaire form and submit it to the Ethiopian Road Authority prior to October 15, 1976.

Construction is expected to commence in early 1977.

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for further details write to:
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Financial Times, 10 Cannon Street, EC4A 3DF

HOME NEWS

McALPINE YARD LEADS U.K. IN NEW FIELD

Trend to barges

BY LEWIS THORNTON

SEVERAL OF THE U.K.'s orderless oil platform and module yards are turning to the new concept of floating barge-mounted installations and plant in their search for diversification.

This field, offering what many offshore experts think will be the next main marine construction market, is still so new that only about three structures of the kind exist or are under construction—a gas liquefaction plant, a wood pulp plant, and a power generating station. The idea is that a large concrete or steel barge is built and on top of it is put a self-contained power/pump/lift/desalination/ammonia, or even hotel unit, complete with living accommodation for its crew. After construction it is towed to its destination, probably a remote part of a developing country, and set to use either floating or in a dredged site.

Threat

Over the past few months at least two companies have been studying the potential of this market, and possible designs. At present the leader as far as the U.K. is concerned is Sir Robert McAlpine, whose Ardene Point concrete platform yard on the Clyde will be virtually closed by the end of this year unless more work is secured.

Such a project would be costly, approaching £100m. The ConTech LFG barge costs more than £20m. A floating wood pulp installation under consideration by ICI of Japan in conjunction with Universal Tankships of Liberia has been estimated at more than £150m.

The latter project illustrates the almost limitless possibilities. ICI would build at its shipyards two huge barges for the plant, which is capable of turning out 250,000 tons of pulp a year. They would be towed to a permanent location 250 kilometres

up the Amazon to utilise undeveloped Amazonian timber resources in Brazil. It has been found very difficult to build a land-based pulp factory in a rainy, humid area.

British-based platform constructors known to be contemplating diversification into other marine concrete structures include Anglo Dutch Offshore Concrete, whose Government-backed yard at Hunterston on the Clyde has yet to win an order.

It may be that the U.K.'s troubled platform industry will provide the basis for a national move into this embryonic market. If that is to happen decisions must be taken soon, as there are signs from all over the world that the concept is regarded as a possible alternative to the expected contraction of the shipbuilding industry.

If the Japanese, Americans and other leading maritime nations swamp the market before it really gathers strength the U.K. will have lost another opportunity.

While McAlpine is hoping for at least one of the few platform orders expected this winter, its engineers, in co-operation with three design consultancies and the National Engineering Laboratory at East Kilbride, have been developing a cellular concrete barge suitable for building at Ardene.

The design won a merit award at May's Houston Offshore Technology Conference and is suitable for a wide range of applications from harbour caissons through oil storage tanks to plant-carrying barges.

Mr. Bill McAlpine, the company's Scottish director in charge of the £20m. Ardene operation, the U.K.'s largest concrete construction facility, said that the company was carrying out feasibility studies of chemical plants for the Middle East and oil storage tanks for the North Sea. McAlpine is also understood to be negotiating a licensing

agreement with the leading marine concrete experts Crete Technology Corp. of Tacoma, ConTech has just completed the world's first barge for liquefying and storing gas. The 65,000-ton barge is 140m long and 20m wide.

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APPOINTMENTS

Regional post at Lloyds Bank

Mr. James Gibb has been appointed, from September 1, to the Greater London Regional Board of LLOYDS BANK of which Lord Lloyd is chairman. Mr. Gibb is a deputy chairman of Matthews Wrightson Holdings.

Sir Idwal Pugh, the Health Service Commissioner for England, Scotland and Wales, has appointed Mr. G. H. Weston to succeed Mr. J. Scarlett as deputy to the Commissioner when Mr. Scarlett retires from the public service at the end of this year.

Mr. H. Black, deputy managing director of B. AND E. BOILLERS, is to be managing director from September 1 to succeed Mr. C. H. Fawcett, who has resigned to set up his own business as a consulting engineer.

Alcan Aluminium's Atlantic Region has formed ALCAN MANAGEMENT (EUROPE) S.A., registered in Luxembourg. The chairman is Mr. P. J. R. Roper, joint managing directors Mr. P. J. Elton and Mr. L. Suchovskiy, and the other directors Mr. C. W. Birkett,

Mr. A. J. Chevalley, Mr. U. von Freyberg, Mr. D. A. Mann, Mr. D. Merrett and Mr. D. A. Pinn. Mr. J. N. Peniston is secretary.

Mr. H. A. Wintermantle, Mr. D. C. Hunt, Mr. S. J. Edwards and Mr. H. F. Nangle have joined the Board of PRESTAGE, a member of the Mitchell Cotts group.

Mr. H. Arnold has been elected to the Board of JOHN CARR (DOORS) as president, joining Mr. R. T. Langford and Mr. E. Thackeray have been appointed to the Board of John Carr Joinery Sales as production and technical sales directors, respectively.

Mr. Jack R. McNally, managing director of BECKMAN INSTRUMENTS, has become chairman of Beckman Instruments (Holding), Beckman Instruments and Beckman-RIC. Mr. John C. Wynn has been appointed to succeed Mr. McNally as managing director, European operations.

Mr. William D. Finlay has succeeded Dr. John C. Wynn as Governor of the BANK OF IRELAND. Mr. Robert C. Lewis-Crosby will continue as deputy governor.

Mr. F. V. Baden w appointed deputy chairman of ESCO, a Furness subsidiary, from September 1. The current general manager will be succeeded by R. F. Burke. Mr. D. W. J. to become works manager Burntwood and London

Mr. Elizabeth Frank has been appointed to the post of Professor I Meadows, who has retired. Paul Kelly fills the gap created by the appointment. Lord James of Harewood, chairman of the Commission Duke of Grafton and Mr. Piper have been re-appointed to the Commission on the expiry of their terms of office.

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Invitation for Tenders

The Government of the Yemen Arab Republic (YAR) and the People's Democratic Republic of Yemen (PDY) have received loans from the Arab Fund for Economic and Social Development towards the cost of construction of a road linking the city of Aden to PDY with the city of Taiz in YAR, consisting of:

1. YAR SECTION:
Approximately 60 kilometres of 2-lane asphaltic concrete road 7.0 metres wide with 2.0 metres wide shoulders on both sides extending from a point 4 km. from Taiz on the Taiz-Sana'a road up to the border between YAR and PDY passing by Ar Rahida, including one reinforced concrete bridge.

2. PDY SECTION:
Approximately 50 kilometres of 2-lane asphaltic concrete road 7.0 metres wide with 2.0 metres wide shoulders on both sides extending from Aden to Hawtat Dukem and approximately 6.4 kilometres of improvement to the existing road between Hawtat Dukem and Tas borders between PDY and YAR including 4 pre-stressed concrete bridges and one reinforced concrete bridge.

Qualified international contractors are invited to bid for the construction of either or both of the above sections.

Tender documents can be obtained as of 15th September, 1976 against a non-refundable charge of US Dollars 200.00 (US Dollars two hundred) for each of the sections from:

Highway Authority, Sana'a, YAR, for YAR section.
Ministry of Communications, Khormaksar, Aden, PDY, for PDY section.

or from
Day El-Bandash Consultants (Share and Partners),
91 New Cavendish Street, London W1M 7PS
or
Abdullah Al-Tal Building, Jabel Al-Haseen,
Opp. Mouassat Hospital, Amman, Jordan.

Tender documents should be simultaneously returned duly completed to Highway Authority, Sana'a, YAR, for YAR section and to the Secretary, Central Tender Board, Aden, PDY, for PDY section, on or before noon of 15th November, 1976, and as instructed in the tender documents.

SAUDI ARABIA'S ENGLISH LANGUAGE NEWSPAPER

GOVERNMENT TENDERS PUBLISHED DAILY

arab news

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The Empain-Schneider Group

has acquired a 42% interest in

Ag-MET, Inc.

This acquisition was made through a company whose shareholders include, directly or indirectly, Creusot-Loire S.A. and other Empain-Schneider Group companies, their subsidiaries and affiliates.

The undersigned was the financial advisor to, and assisted Ag-MET, Inc. in the negotiation of this transaction.

New Court Securities Corporation

August 24, 1976

Money supply has risen sharply, brokers say

acceleration in monetary growth in July, announced yesterday that Greenwell finds the expansion of the money supply "extremely disturbing." "One buoyant month in isolation would be of little significance," he comments, "but the current behaviour of the billings does suggest that very buoyant growth has continued."

It expected the very rapid growth of private lending by the banks will have a stimulating effect by the weakness of sterling in international exchange markets to slow down soon.

Meanwhile, it is conceded that the need for borrowing requirement must be expected to rise sharply from the abnormally low levels of recent months; as in the last two years the large amount of borrowing seems probable in the autumn months.

It is further conceded that the underlying growth of the money supply has probably been in excess of the official "target" growth rate of 12 per cent.—a disturbing situation for a period in which the impact of the Government's deficit is not being felt.

While it is possible that, as some City estimates have suggested, the public sector borrowing requirement will be met, it will still be necessary for the £111bn. estimate given by the Chancellor in July, this cannot be taken for granted; and no relief from reduced borrowing will be likely in the coming months, the latter months of the financial year.

Editorial comment: Page 12

By John Wyles,

BRITAIN'S SHIPBUILDING
industry is to lose the services of two of its top executives after nationalisation later this year. Mr. Tom McIver, managing director, and Mr. James Jardine, financial director, of the Swan Hunter Group, announced yesterday that they were resigning in the private sector.

Both men will remain with the group whose nine shipbuilding, shiprepairing and marine engine subsidiaries are to be taken over by British Shipbuilders providing the Government's legislation is successful.

Earlier this year members of the British Shipbuilders' organising committee had hoped that Mr. McIver, aged 58, might be asked to take the position of liaison to nationalisation and accept a position in the new structure. As chairman of Swan Hunter's shipbuilding subsidiaries, he is widely respected within the industry and the choice of Mr. McGarvey, president of the Boiler-makers Amalgamation, for chief executive of the proposed State corporation.

"We always said we would not be nationalised, but we were not yesterday," Mr. McIver said. "We are now being asked to

THE ARMITAGE Committee, set up by the Prime Minister to review the rules governing the political activities of civil servants, will be headed by a senior civil servant, union not to ease the restrictions on the highest grades of the Civil Service.

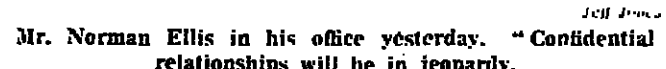
The First Division Association, which represents 1,000 civil servants, including all 53 permanent secretaries, at the summit of the Civil Service, will express its opposition to the plan to Mr. William Kendall, general secretary of the national staff side of the Whitley Council. The association will ask that they be excluded to the Armitage Committee.

Mr. Norman Ellis, a general secretary of the FDA, said yesterday that any relaxation of the rules for the grades represented by the permanent administration trainee, to permanent secretary could jeopardise the confidential relationship between Ministers and their Civil Service advisers.

The FDA is out of step with other Civil Service unions on the issue. The National Staff Side, as a whole, wants restrictions limited to a requirement that a civil servant wishing to play an active part in national or local politics should notify his department of that intention.

The department would have one month in which to argue that the nature of the official's job meant that political activity on his part would be against the public interest.

Disputed cases would go to a tribunal near the scheme's



By Rhys David.

ANOTHER big U.S. oil company, Mobil—operator of the Beryl field in the North Sea—has begun talks with the Government about participation.

A joint statement yesterday by Mobil on behalf of the Beryl field licensees, and the Department of Energy said that preliminary discussions had taken place.

The British National Oil Corporation, which would acquire an option to buy 51 per cent. of production under a participation agreement, will take part in future meetings.

Four participation agreements have been reached—with Gulf, Conoco, Tricentrol and Ranger—and the Government and the BNOC have also agreed on the principles of participation with BP. Talks have been held with the other three companies, Amoco, whose negotiations with the Government are Shell, Esso and Chevron.

The Department of Energy said yesterday that the next round of meetings with the Beryl licensees would discuss terms to meet the Government's oil policy and be acceptable to the individual companies. The companies have apparently told the Government that they regard as very important the ability to obtain a substantial volume of oil to meet individual long-term needs.

ARMED ARMY chiefs began an investigation right into yet another incident by plainclothes British soldiers, one a young man, were arrested by soldiers and held in custody for a short time before being released. The police were called to the scene and stated that local people described the incident as a heated, but amusing argument between the soldiers and the young man, as they were attempting to get over whether they were British or Irish soil.

Those who gathered at the scene near the meandering Armagh-Monaghan border, said the two soldiers had stopped a van containing a number of people. The driver, Mr. James McCooney, from the nearby Co. Monaghan town of Castlesnare, tried to convince the soldiers that they had strayed some yards over the unmarked frontier, but the soldiers were adamantly adamant that he had driven into Ulster.

Local police, who questioned the soldiers, told them that they were in the Republic. They were taken to Monaghan police station, but later escorted back to the border, to return to base at Middletown.

Army sources said they were from the Royal Ulster Fusiliers, stationed in Armagh.

● In a Belfast court Mrs. Maire Drummond of Provisional made a second accused of taking illegal march in the this month, marking sary of internment w She again refused to and was remanded in a further eight days.

table below gives the latest available rates of exchange for the pound against various currencies on August 23, 1978. In some cases rates are nominal. Market rates are those of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated for those of foreign currencies to which they apply.

Exchange in the U.K. and most of the currencies listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the area other than Scheduled Territories; (TS) Scheduled Territory; (o) official rate; (T) tourist rate; (n.c.) non-commercial; (A) applied; (n) no direct quotation available; (sg) selling; (bg) buying rate; (nom.) nominal; (cc) commercial; (P) based on dollar parities and going sterling/dollar (£k) bankers' rate; (Bs) basic rate; (Cn) commercial rate; (Cb) convertible financial rate.

Sharp fluctuations have been seen in the foreign exchange market. Rates in the table below are not in all cases closing rates shown.

U.S. for intensive briefing here in rain-soaked Salt Lake City to encourage the flow.

For all the awkwardness of recent years, Britain is still America's second most important overseas supplier of tourists. Canada and Mexico are, of course, more significant, but the British sent 437,667 visitors to the States last year compared with 746,724 Japanese and around 300,000 Germans.

British and Japanese visitors have fallen off recently, and the number of German visitors is virtually unchanged. This is probably due in dollar strength and the rapid recent rise in international air fares.

Registration went up from 147,400 to 153,800 during January-July.

The London motor-cycle show is likely to boost sales next month and the industry hopes mopeds and vehicles of less than 50 cc have dropped from 63,300 last year to 52,000, but sales of the more popular larger two-wheelers have risen from 87,000 to 102,000.

The increase is entirely due to motor-cycles proper—vehicles of more than 50 cc. Sales of mopeds and vehicles of less than 50 cc have dropped from 63,300 last year to 52,000, but sales of the more popular larger two-wheelers have risen from 87,000 to 102,000.

Representatives of well-known groups like Laker Air Travel, Lunn Poly, Thomas Cook, Saville and Lees are getting liberal hospitality which somehow manages to by-pass the regulations in this reputedly "dry" Mormon city.

No sex shops or dirty movie houses—features of so many convention cities—but the refreshing chance to change travel cheques at Zion's First National Bank.

Motor cycle sales on way to another new record

BY TERRY DODSWORTH, MOTOR TRADE CORRESPONDENT

A crack-down on hotted-up mopeds will come into force in August next year, when a moped will be redefined as a machine with less than 50 cc engine capacity with a maximum design speed of 30 miles per hour.

Dr. John Gilbert, Transport Minister, laid changes in the regulations before Parliament yesterday.

He made the move because, according to the Department of the Environment, there has been an "unwelcome" increase in the number of casualties suffered by young riders in recent years.

From last August, 16-year-olds will be able to ride only the damped-down mopeds. Riders must be 17 before they can graduate to larger, more powerful machines.

The new company will have as its chairman Mr. J. L. Rich-

THE AMERICAN Government is growing alarmed about the dollars disappearing into the tills of British hotels and stores and is launching a determined counter-attack to encourage more British to make the trip the other way. Many U.S. tourists are invited to the U.S. for intensive briefing here in rain-soaked Salt Lake City to encourage the flow.

For all the weakness of sterling recently, Britain is still America's second most important overseas market for tourists. Britain, Canada and Mexico are, of course, more significant, but the British sent 437,667 visitors to the States last year, compared with 746,724 Japanese and around 300,000 Germans.

British and Japanese visitors have fallen of recent years, and the number of German visitors is virtually unchanged. This is probably due to dollar strength and the rapid recent rise in

Americans are bitterly disappointed especially as American visits abroad have gone up by 17 per cent, producing a \$3.3bn. tourism deficit.

So hundreds of tour operators and travel agents, including nearly 50 British, have had their fares paid to Salt Lake; are getting a special hotel economy at a special \$10-a-night rate; and are being whisked all over the U.S., after the conference, on special "familiarisation tours."

Representatives of well-known groups like Laker Air Travel, Lunn Poly, Thomas Cook, Jet-save and LEP are getting liberal hospitality while somehow manages to by-pass the regulations in this reputedly "dry" Mormon city.

No sex shops or dirty movie houses—features of so many convention cities—but the refreshing chance to change travel cheques at Zion's First National

For seven months of this year indicate that the industry is well on course to better the 15-year record achieved last year.

Registrations went up from 147,400 to 153,500 during January-July.

The London motor-cycle show is likely to boost sales next month and the industry hopes that the year total will be well above last year's 270,000 registrations.

The increase is entirely due to motor-cycles proper—vehicles of more than 50 cc. Sales of mopeds and vehicles of less than 50 cc have dropped from 60,300 last year to 52,000, but sales of the more popular larger two-wheelers have risen from 87,000 to 102,000.

Mopeds will come into force in August next year, when a moped will be redefined as a machine of less than 50 cc engine capacity with a maximum design speed of 30 miles per hour.

Dr. John Gilbert, Transport Minister, laid changes in the regulations before Parliament yesterday.

Behind the move because, according to the Department of the Environment, there has been an "unwelcome" increase in the number of casualties suffered by young riders in recent years.

From next August, 16-year-olds will be able to ride only the damped-down mopeds. Riders must be 17 before they can cruise on larger, more powerful machines.

The move reflects a view that Europe should be considered one market. Joint activities in all these areas have now been undertaken,

SIEBE GORMAN HOLDINGS LIMITED

12th consecutive year of increased profits

Board recommend final dividend of 2.75p per share on share capital as increased by 1-for-4 rights issue, making total for year of 4.55p net (1975, 3.67p). Covered 3.1 times by profits after taxation.

Chairman Mr. G. C. D'Arcy Biss reports:

- Group trading profits £2.86m.
- Group has demonstrated its overall strength by maintaining its margins despite overseas trading conditions of exceptional difficulty.
- UK profits increased by 23%.
- There are firm indications that demand for our products, particularly overseas, is growing once again, and the Board is confident that the current year will be a successful one.

The Siebe Gorman Group designs and manufactures advanced technology underwater products, industrial safety, survival and fire fighting equipment. Current turnover to third parties exceeds £26 million.

The Management Page

EDITED BY JOHN ELLIOTT

MOTOR PRODUCTION

BY TERRY DODSWORTH

U.K. car engineer hits out at group assembly



Mr. Alec Sanders who was planning engineer of Rover's new car plant and is now managing director of Alfred Herbert's Coventry plants.

jects that took him to Japan and Russia. During the planning of the new Rover facilities — one of the largest "green fields" projects in the British industry since the war — he visited Volvo to study its production methods.

Despite his views on the Swedish experiments, Mr. Sanders eventually incorporated an element of the group method into the Rover plant: the assembly line is organised so that individual work stations can be split into a number of groups where workers can interchange jobs. But this method does not compromise the basic line concept of production hit on by Henry Ford at the turn of the century.

Questioned on the ideas behind the new plant when he delivered the Viscount Nuffield Memorial Lecture recently, Mr. Sanders laid great emphasis on efforts which have been made to improve working conditions. The workers themselves had been brought into the discussions on the organisation of the plant; and he attributed many of the ideas for the particular kind of group working for which he has planned to the experience of Land Rover production.

Perhaps the example of the Land Rover proves that production engineering, even in the volatile motor industry, depends on gentle evolution. This vehicle, after all, was invented 28 years ago.

GROUP WORKING methods, hailed in Sweden a few years ago as the panacea for boredom on the assembly line, are today under growing attack in the motor industry. Some American car workers, as reported recently on this page, have seen no particular merit in the system; and their views have now been given support from a rather different standpoint, by Mr. Alec Sanders, who was the planning engineer of British Leyland's new Rover plant.

Mr. Sanders' attitude to the Swedish experiments is quite simple. Multi-assembly groups, he says, are "not on" in large car factories. The technical problems of getting materials, parts, manufacturing equipment and controls on to one assembly line are massive in themselves, he argues. When those problems are multiplied several times by splitting up the production process between a number of different work stations, the problems are needlessly intensified.

The reason why the Swedes adopted the system despite these problems was that some of their car plants had an appalling record of absenteeism, claims Mr. Sanders. This meant that traditional assembly line techniques, which demand constant manning to keep the work flowing, were almost impossible to operate because a long production line can be crippled by a breakdown in one area. The alternative was to split the line into smaller units, most of

which could be kept going even when absenteeism was high. Mr. Sanders, who has moved from Leyland to become managing director of Alfred Herbert's Coventry plants, has a wide range of experience in the motor industry. In the 1950s, when awarded the Spencer Travelling Scholarship, he examined production methods in a variety of European companies. He spent the 1960s working for the P.E. Consulting Group on motor industry pro-

The legal problems of employment

EVERY WEEK the Industrial Society receives dozens of queries about good employment practice and some of these have now been incorporated into the latest edition of its reference book — *Legal Problems of Employment*.

The book, which uses clearly numbered questions and answers throughout, is designed for use by managers, personnel officers and trade unionists. It is divided into six sections, covering industrial relations, terms of service, the Trade Disputes Act, factories, offices and shops, industrial accidents and general matters such as can-

given are concise and remarkably free from legal jargon. There is a good index and the book is laid out extremely clearly. Where necessary further references have been given so readers can check on any queries that are not fully covered in the book.

The original version of this book was written by the late Mr. Harry Samuels and published in 1951. The latest edition has been revised with the help of a barrister, Mr. Neville Stewart-Pearson.

Legal Problems of Employment: The Industrial Society, 48, Bryanston Square, London W1H 8AH. £4.

LAING

for tomorrow's
BUILDING, CIVIL
& INDUSTRIAL
ENGINEERING

particularly kept the operator's needs in mind. There is a 12 inch diagonal screen that displays, in its standard form, 960 characters in 12 rows of 80. An optional feature permits the display of 1,920 characters in 24 rows — it is the only unit of its kind to offer this, claims the company.

Keyboard is modelled on that of a standard typewriter, with the possible addition of a 10-key pad for purely numeric data. The high contrast character information is in a 7 x 5 dot matrix.

When a new line of information is entered it makes its appearance at the bottom of the screen and moves upwards with all preceding lines when the next new line is keyed in. Additional control keys enable the operator to clear the screen, overwrite characters, line feed, perform carriage return, space, and backspace. An addressable cursor is optional.

COMPONENTS

Controls the flow

WHERE there is a need for liquid flow rate to remain between an upper and lower limit, say in pressurised lubricating systems and heat exchangers, the DWIS flow switch from Krohn Measurement and Control should prove useful.

The principle used is that of a hinged disc which moves against the tension of a spring via a pivot. There is an equilibrium position for each value of flow, and a magnet installed on the non-immersed end of the arm which carries the disc is used to operate reed switches located at the precise positions corresponding to upper and lower flow rates.

Versions are available for both clean and dirty fluids, and all the switches are supplied with a simple indicator for visual flow control and to help in setting the limits.

The simple design is relatively inexpensive but robust and maintenance free. It can be installed in any position and, by the use of an intrinsically safe current circuit, in hazardous areas as well. More on 0604 486704.

By arrangement between the Financial Times and the BBC, information from The Technical Bureau is available for use by the Corporation's External Services as source material for its overseas broadcasts.

hopeful of an economic upturn, many companies are opting for takeovers rather than starting capital investments in their own businesses. Margaret Reid reports.

Strategies behind the bids boom

TAKEOVER HAS become one of the most commonly used words in the vocabulary after two years in which it had been little more than a euphemism for the sharp ebb and flow of corporate activity.

In the past few months, the number of offers by companies to acquire others has risen more than at any time since the early 1970s. The volume of deals placed now is still much higher than it was then, but the movement has staged enough comeback to create the position where bids are now on the room tables of publicly listed companies, compared with a third of that figure at the start of this year.

However, there is every indication that the increase in takeover activity will be further. There is a broad view that the trend from the low level of prices which is making businesses attractive barneys at even more than present stock market levels.

Thus, there are parallels in the movement in the 1950s the term "takeover" was coined as Sir Charles Clove spotted the advance of increasing assets by acquisition of companies at a time when the prevailing of share prices.

mainly the City's attention was being increasingly drawn on the reasons for the ending procession of new proposals, as high as for example by Tate & Lyle's £40m. contested offer for sugar and starch company, Manbré and Garton.

Manbré and Garton and Pilkington Brothers' £24m. bid for U.K. Industrial Holdings, though the total value of offers has increased sharply this year, it is still modest level compared with the high noon of the movement in 1972. In the wake of new stock market prices, 40 offers for public companies are now open.

One factor which could have some effect on the pace of the

SOME CURRENT TAKEOVER BIDS

Company bid for	Value of bid	Bidder
Manbré & Garton	£40.1	Tate & Lyle
Second Scottish Invest. Trust	39.4	Scottish Invest. Trust
U.K. Optical	24.3	Pilkington Bros.
AD International	19.5	Dentistry Int.
Odeon Rascans	5.3	Peterson Zochonis
Wingate Investments	5.2	Geo. Wimpey
Winsor & Newton	7.3	Reckitt & Colman
Beyer Peacock	2.0	Natl. Chem. Inds.

posed get-togethers appeared to be of a "conglomerate" or mixed, character, involving links often with no very obvious industrial logic. A growing number of references to the Monopolies Commission — which came out against the competing big bids by Beecham and Boots for Glaxo, and by Boots for House of Fraser — further dampened the trend.

Thus, from a record £2.53bn. in 1972, the value of takeovers dropped to £1.3bn. in 1973, falling further to £508m. in 1974 and only £281m. in 1975. This year, though, there has been a steady increase in successful bids — to £164m. in the first six months, compared with only £98m. in the same period in 1975. And there is little doubt that the current quarter will show a further rise since some 40 offers for public companies are now open.

Time-saving is one primary motive. "By bidding for another concern with its existing productive equipment, you can buy the whole shooting match for less than it costs to put it up from scratch — and save 12 months," said one merchant banker, who stressed that problems of getting new development consents were thus avoided.

"If there is to be an economic revival — and the Government wants to see capital expansion by firms — this is the way to prepare for full recovery which will probably come in 1978," he added.

The fact that price and dividend controls are holding down companies' share prices to below the value of their assets for takeover is also an encouragement to take the bid route to expansion. All the signs are that both in the City and in Whitehall this factor is recognised as having given the merger trend a new boost.

After the near-standstill in bid activity in 1974 and 1975, there is a fair hacking of get-together projects coming forward now for which a good deal of industrial logic may be claimed. How sound these are in individual cases is debatable, but there is not much dispute that the process of industrial development creates some need for horizontal and vertical integration — and by normal standards there has been relatively little for two years.

Against this background, there are signs that Whitehall is not trying to snuff out all contested bid activity — and will not automatically use the Fair Trading Act to refer every controversial big case to the Monopolies Commission, though it may certainly do so in some cases.

A noticeable feature of the recent upsurge in bids is the much higher proportion where a cash price, as distinct from shares of the bidder, is offered.

Official statistics show that in the second quarter of this year 89.1 per cent. of the price of all takeovers was met in cash, with only 10.2 per cent. in shares and 0.7 per cent. in fixed interest securities.

By contrast, in 1972, when share prices were high, only 18.5 per cent. of the consideration for successful bids was in cash, 57.6 per cent. in shares and 23.9 per cent. in fixed interest form. Of more recent offers, Tate and Lyle's for Manbré is in cash or convertible loan stock, Pilkington's for U.K. Optical in shares and cash, while Wimpey's £5.2m. agreed bid for Wingate Investments, Dickinson Robinson's agreed £3.6m. offer for Royal Sovereign and Associated Newspapers' £21m., also agreed, for J. M. Newton, are all either in cash or in shares with a cash alternative.

With the marked improvement in companies' liquidity over the past year, following the tax relaxations of late-1974, many bidding companies find no difficulty in putting up cash for takeovers.

City observers also suggest that cash is more acceptable to investors now that many people have considerable accumulated capital gains tax losses after the stock market's tumble in

1974. Realised gains obtained through a good cash bid can be set off against these losses and do not bring any liability to pay tax. In 1972, a realised gain would have been much more likely to bring an unwelcome capital gains tax bill.

It is also claimed in some quarters that, in present subdued stock markets, many investors are anyway quite glad to sell in response to a reasonable bid and get the cash safely home, as a protection against the risk of future falls in share prices.

Another point made sometimes is that, with the decline of the private investor, who traditionally accounted for much of the activity in shares of smaller companies, the investing institutions with shares in such concerns find it more difficult to deal in them and may welcome bids as the best way of cashing their investment.

Bargain hunt

Another trend at the moment is the increase in bids by "bargain hunting" foreign interests which have been encouraged by the fall in sterling to make offers for British concerns at prices which seem very reasonable in terms of their home currency.

Whatever the exact considerations which have prompted them, there have been several overseas bids lately, notably that of £191m. by Dentsply of the U.S. for the dental equipment concern AD International, Kema Nord's £3.2m. offer for seed suppliers R. and G. Cuthbert, and that of £2m. by the Saudi Arabian-controlled National Chemical Industries for the engineering concern of Beyer Peacock.

All these bids, as is usual with foreign offers, are in cash, and, as is also customary in offers from overseas, agreed with the Board of the company bid for — in the case of AD International only after initial disagreement.

While share prices remain subdued by price and dividend curbs and the pound stays at its present level, then — against the background of a quickening and expanding economy — the bid boom can be expected to grow.

The Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Magnesium castings cut costs

OF the U.K.'s major competitors appreciate the uses of magnesium alloy castings. They are used in Germany in appliances, in office equipment, in the automotive industry (around 100 tons/VW for example).

In flat subsidiary uses the special road wheels; it is used for motor-glasses and in Austria in equipment, such as portable power tools, audio gear and similar applications.

In an endeavour to convince more U.K. designers of the commercial and technical suitability of magnesium alloys for general use, replacing zinc and aluminium, and to break away from the traditional view that magnesium is expensive and only suitable in sophisticated and non-cast sensitive areas, the company points out some of the advantages.

should take another look at the possibilities.

Using hot chamber machines, electric furnaces and the latest flux-less melting technique the production operation is said to be quick, clean and time-free. The equipment is capable of producing intricately designed components, some with very thin walls, at high production rates, and the company is already supplying parts for portable power tools, audio gear and similar applications.

In an endeavour to convince more U.K. designers of the commercial and technical suitability of magnesium alloys for general use, replacing zinc and aluminium, and to break away from the traditional view that magnesium is expensive and only suitable in sophisticated and non-cast sensitive areas, the company points out some of the advantages.

Making a comparison with aluminium, the company says a manufacturer using magnesium alloys could expect at least 30 per cent. longer die life and about 50 per cent. faster machine times for components — the figures are even better in a comparison with zinc.

Aluminium is about 1½ times heavier than magnesium, and zinc is four times heavier, so that for the same weight of material many more components can be produced in magnesium than in aluminium, or zinc. Finally, the company says, that raw material supplies are unlikely to be a problem, since magnesium can be obtained from sea water and the supply is almost inexhaustible.

Information about magnesium alloy high pressure die casting is offered by Promagco, Worcester Industrial Estate, Blackpole Road, Worcester WR3 5HR (0405 51665), a Wedge Group company.

striker, and thus one size of ram can fit various stroke lengths for differing applications.

Cycling may be stopped at any point by a remote valve, and restarted when the pressure is applied, or the ram can be left to run continuously, when it will cycle between the set limits as long as hydraulic pressure is applied.

Suggested applications for the unit are as drives for any reciprocating mechanism where ruggedness and long life are a fundamental requirement, and where an air-hydraulic drive and control is required, says NEL.

Apart from the original shears, now in operation as a prototype, the ram could be used to operate agitators, screens, repetitive mechanical handling, machine tools, pumps, etc.

NEL is now offering licences to make and market the device — details from A. G. Hay, Vibro Power Section, National Engineering Laboratory, East Kilbride, Glasgow G75 0QU (03552 20222).

Indicates press load

PEAK LOAD monitoring equipment gives important operating benefits allowing faster die set up, warning of damaging overloads on tooling and machine, die wear and faulty tooling.

An instrument providing this information makes it easier to obtain consistency in forging production. Basic units which indicate peak load, with overload alarm and an option to provide automatic print out of load data, have been designed by the research and development division of Head Wrightson working in conjunction with B. and S. Massey and resulting from extensive stress analysis of the latter company's press frames.

The new load indicator system, which shows the loads involved at every stroke of the press, will be shown for the first time at Mach '76 (Birmingham, September 22 to October 2). An indicator with print-out will be on a 750 tonnes force high-speed forging press, and a basic indicator will be on a 100 tonnes force wide ram trimming press. Both Massey presses will be used to demonstrate gear blank production.

B. and S. Massey (a Head Wrightson company) is at Openshaw, Manchester, M11 2LA (061-233 4662).



Engineers at the Skelmersdale, Lancs., works of Dewrance Dresser assembling the limit switches of feed heater media-operated valves for Huntly, New Zealand's largest power station. The valves, fabricated from steel forgings, are designed to isolate the high pressure feedwater heaters if an emergency occurs.

DATA PROCESSING

Terminal writes in Arabic

ICL has announced an Arabic version of its 7502 modular terminal processor system, of which there are already over 1,000 European language systems installed.

The system consists of an intelligent terminal processor controlling up to eight displays together with hard copy printers and interfacing via communications lines with an ICL or other mainframe computer.

A problem for ICL was that although there are 28 letters in the Arabic alphabet, the appearance of each varies from one country to another. Rather than have the user press alternative keys, the company is to supply the machine with one of three possible character sets: two are traditional and the third is the new Iraqi national computer

centre's recommended set. A 90 seconds after photographing version is also being produced the last page.

Data enters on to the screen from right to left, but otherwise operation is as in the English version with options for printing direct output from four seconds after pressing buttons. The data is displayed on a 14-inch square screen and there are controls for focus and frame centring. The unit could also, of course, be used for retrieving data from COM generated files. More: Marylands Avenue, Hemel Hempstead, Herts. (0442 2251).

Speeds up the fiche

AVAILABLE FROM Addressograph-Multigraph is the model 5700 microfiche camera processor and the associated model 95 automated retrieval unit.

Up to 900 pages per hour can be dealt with by the 750, which is a stand-alone unit needing no darkroom, plumbing, venting or visual display terminal. The model 5700 has been put on the market by Data Dynamics of Springfield Road, Hayes, Middlesex (01-948 8781). The company says that it has

Low-cost display terminal

A SIMPLE and relatively cheap visual display terminal, the model 5700, has been put on the market by Data Dynamics of Springfield Road, Hayes, Middlesex (01-948 8781). The company says that it has

COMPANY NEWS + COMMENT

F. J. Wallis up to £1.49m. at midway

TURNOVER OF supermarket and self service operators, F. J. Wallis, increased from £30.17m to £37.03m in the half year to June 28, 1976, and pre-tax profit expanded from £1.24m to £1.49m. The figure for the year to December 27, 1975 was £2.62m.

Net profit for the six months was up from £596,180 to £710,640, after tax of £173,880 (£245,840). Earnings per 10p share rose from 1.86p to 2.34p, and the interim dividend is effectively stepped up from 0.3223p to 0.36p net. Last year's total was equal to 1.04p.

Last March the chairman, Mr. D. R. Glynn, said that turnover in the first few weeks had improved by 25 per cent, and the directors anticipated this progress to continue throughout the remainder of the period.

With the store improvement programme well under way and a tight rein on overheads they aimed to maintain their margins during 1976.

The company has set itself a five-year programme for new 10,000 to 20,000 square foot stores within an 80-mile radius of its Rainham headquarters.

Commenting on the half-year's results, Mr. Glynn says the squeeze continued on consumer incomes and pressures on gross margins from increasing competition, with multiples and independents fighting to retain their share of the market. Other influences which were not foreseen at the beginning of the year contributed to make trading even more difficult.

Additional competition, from shops and supermarkets run by some of the major food retailers, which have closed and then re-opened, trading on a restricted range of goods, heavily discounted, had to be met.

The turnover increase of 23 per cent, was achieved despite the opening of only one additional store, although the stores at Dartford and Upminster, opened towards the end of 1975, have contributed significantly towards this rate of growth. Trading conditions for the second half of the year do not at the present time appear as though they will be any easier.

The full impact of the 58 per week pay award was absorbed without an escalation in wage costs and all other overheads have been kept very much under control. Significant savings were made in head office operation without affecting the service to stores. There was also a considerable improvement to cash resources, which has strengthened the already sound financial position.

comment

F. J. Wallis has a problem familiar to growth companies. It has fully exploited its successful formula of siting its stores within a tight 35-mile radius of its HQ, and is now trying to adapt the concept to maintain earlier growth rates. Both the rise in interim profits (20 per cent), and sales (26 per cent), reflect a marked slowdown in new store openings, and unexpectedly keen competition is forcing it to trim gross margins in maintain its stock market share. With no more sell-off space planned for this year, the longer-term growth now hinges on the success of its five-year plan to open much larger stores in a 80-100 mile radius of Wallis' HQ, starting next year. Progress to

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Allied Investments	16	8	Males Properties	16	7
Baynes (Charles)	16	3	Letrasat	15	3
Bogod-Peleph	16	4	Marler Estates	14	5
British Benzol	15	6	Morse Electro	15	4
British Land	16	1	Redland	14	7
British Vending	16	7	River Plate Trust	16	5
Carloli & Tyneside	14	2	Royal Worcester	14	4
City & Commercial	16	8	Talbox	14	5
Davy International	16	6	Town & City Props.	15	3
Electrocomponents	14	6	Wallis (F. J.)	14	1
Evode Holdings	14	3	Warner Holidays	14	6

date has been slow, due to aggressive competition for prime sites, and, until the management can prove that its new plans are as profitable as its earlier ventures, the main interest in the shares, which yield a below-sector average 4.4 per cent, at 35p, will stem from bid possibilities. It is a well-managed and cash rich company, running a close-knit and highly profitable chain of supermarkets, which would slot well inside the activities of one of the larger retailers.

Progress at Carloli and Tyneside

INCREASES IN revenue are reported by Carloli and Tyneside Investment Trust for the six months to July 31, 1976.

Gross revenue of Carloli rose from £332,553 to £408,392 and the amount available for dividends was up from £159,429 to £177,343, costing £100,000 (£70,035).

An interim dividend of 1p net (£0.7p) has already been declared. Last year's total was 2.75p paid from available revenue of £301,612.

Investments were valued at £17.5m, £18.7m, at January 31, 1976, including the dollar premium and after deducting prior charges at par, and assuming full conversion of loan stock the net asset value was £18.1m (£19.9m) per 25p Ordinary share and £119.6 (£128.9) per £100 convertible loan stock.

Gross revenue of Tyneside advanced from £207,288 to £238,949 in the period and the net balance came to £110,345 (£88,741).

The known interim of 1p (£0.7p) absorbs £81,883 (£43,308). Last year a total of 2.75p was paid from the available balance of £170,237.

Investments were valued at £10.05m, (£10.78m, at end January) and the net asset value was £13.5p (£14.3p) per share for the Ordinary and £14.5 (£125) per £100 of convertible loan stock.

BARKER & DOBSON announces that the meetings of the holders of the 6 1/2 per cent, loan stock 1980-85 and of the 10 1/2 per cent, stock 1982-87, convened for the year ended 31st December, 1975, were adjourned in the absence of the appropriate quorum until 3 p.m. on September 10th, when the meetings will be reconvened at Abercorn Rooms, Great Eastern Hotel, E.C.

Evode's first half growth

FIRST HALF (to March 27, 1976) turnover of Evode Holdings expanded from £5.98m to £8.41m, and pre-tax profit advanced from £181,691 to £373,502.

The profit includes £14,153 (£14,747) share of associates. The tax charge is up from £242,640 to £296,892.

An unchanged interim dividend of 1.63p per 20p share is declared. Last year's total was 1.818p from a pre-tax profit of £1,208,000.

The company manufactures adhesives, jointing compounds, etc.

comment

Evode Holdings has been resting on something of a profits plateau since 1973 and it looks already as if 1976 will not be the year for rising much above it. In the first three months, however, Evode's adhesive and other building products was buoyed up apparently by a phase of restocking, but since then business has been patchy and, as the unchanged dividend suggests, the underlying trend is not yet clear.

Nevertheless, a pre-tax increase in the first half of 10.6 per cent, on a turnover rise of 20.5 per cent, reflects a continuing solid performance at least for a group whose turnover is 30 per cent, dependent on the building industry and 10 per cent, on the equally depressed shoe industry.

Meanwhile, with the backing of a strong balance sheet, the group continues to pursue a course of gradual expansion in the U.K. and overseas. The shares at 35p give an historic yield of 5.7 per cent.

RIGHTS RESULTS

National Westminster Bank's rights to raise £55.6m, on the basis of one for five at 185p has been taken up to over 87 per cent. The remainder has been sold and the proceeds will be dis-

tributed to those entitled. Net amount was £47, a share of £1.14. Reed International's rights to raise £35m, on the basis of one for five at 200p has been taken up to 89.5 per cent. The balance has been sold and the proceeds are to be distributed to entitled shareholders.

Royal Worcester to improve

For the 26 weeks ended June 26, 1976, volume of group sales of Royal Worcester was down by some 4 per cent, and share profits fell 11 per cent to £512,000 compared with £588,000 in the same period last year.

However, the directors say that this result, though far from satisfactory, represents an improvement on corporate plans and is grounds for some encouragement — profits for the full year should show a small increase on last year's £1.2m pre-tax.

Earnings per 25p share for the first half are down from 5.45p to 4.58p. The net interim dividend is held at 1.85p—the total last year was 5.2p.

The chairman Sir Ronald Fairclough says profit and volume of sales of Worcester Royal Porcelain and subsidiaries were higher than for the corresponding period last year, though both were slightly below budget.

Subject to shareholders approving the merger, the full year will reflect the results of Royal Worcester and the Carborundum Tableware Group of companies.

Profits attributable to Royal Worcester for the full year should show some improvement over last year with or without the proposed Royal Worcester Spode merger, the chairman says.

Royal Worcester Industrial Ceramics produced good profit and sales volume achieved by reduction in operating costs, development of new products and customers and some improvement in the general market demand.

Results for the full year should show an improvement over last year.

At Welwyn Electric, the very low demand of the last half of 1975 continued with some signs of improvement as the period advanced. Profit and volume of sales were down on the corresponding period last year. Profit for the full year should be approximately the same as last year.

comment

Royal Worcester was generally expected to establish itself on the recovery road this year, and the drop in interim profits was enough to depress the shares 4p yesterday to 98p. The two divisions which suffered the most abrupt downturns in the previous year, industrial and electrical ceramics, although both returning lower profits, finished ahead of budget in the first half, while the WRP porcelain and tableware interests actually performed below group expectations.

Prospects are promising at present but profit for the current year will be affected by the company's ability to sell its wares during the latter part of the year. Some customers, due to economic uncertainties, are showing a reluctance to book their holiday as far in advance as in previous years. To date, however, occupancy has been a par with last year, and advance payments are up.

As known, pre-tax profit rose from £0.34m to £0.58m, in the year to January 31, 1976, on gross revenue of £2.21m (£1.72m). The dividend is the maximum permitted 1.04p net.

The company's properties were revalued at January 31 and the new valuation of £7.56m, revealed a surplus of £2.94m, which has been credited to the capital reserve account.

The company has a liability in the form of an Eurocurrency Loan, guaranteed by its bankers, and repayment obligations fluctuate with the value of sterling.

In accordance with standard accounting procedure a provision of £180,045 has been made in the accounts for any exchange losses which may be incurred.

During the year the company, with Bank of England consent, repaid £293,082 Eurocurrency free of premium. It is policy to repay the loan as soon as possible but only with premium free overseas income.

According to a statement issued yesterday, this move was taken at the request of Talbox in order to protect the working capital position of the group and follows a substantial deterioration in LPP's trading position over the past two months.

The statement added that other companies in the Talbox group were trading profitably.

As part of the takeover of LPP in January, Talbox agreed to provide working capital of up to £130,000, over the past financial year LPP suffered losses of £530,000 after a change of premises and investment in new plant.

comment

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comment



Mr. Jeffrey Sterling, chairman of Town and City Properties, which report a reduction from £12.05m to £1.75m in the group loss, before tax and net outgoings on development properties, for the year ended March 24, 1976.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total last year
Charles Baynes	1.0	Sept. 17	1.0	2.73
Brit. Vending	0.46	Nov. 3	0.42	0.42
City & Commercial	0.88	Sept. 30	0.78	1.41
Evode Holdings	0.83	Oct. 2	0.83	1.92
Royal Worcester	1.95	Nov. 3	1.95	5.2
St. George's Laundry	0.28	Oct. 5	0.28	0.58
Town & City Props.	0.01	—	0.01	0.01
F. J. Wallis	0.58	—	0.52*	1.04*

Dividends shown pence per share net except where otherwise stated. *Equivalent for scrip issue. †On capital increased by rights and/or acquisition issues.

Confidence at Warner Holidays

IN HIS annual report, the chairman of Warner Holidays, Mr. E. H. Warner says the directors are confident that continuing profitability may be expected.

Any capital requirements for improvement and extensions can be provided from the company's own resources for at least the next year or so, he says.

Prospects are promising at present but profit for the current year will be affected by the company's ability to sell its wares during the latter part of the year. Some customers, due to economic uncertainties, are showing a reluctance to book their holiday as far in advance as in previous years. To date, however, occupancy has been a par with last year, and advance payments are up.

As known, pre-tax profit rose from £0.34m to £0.58m, in the year to January 31, 1976, on gross revenue of £2.21m (£1.72m). The dividend is the maximum permitted 1.04p net.

The company's properties were revalued at January 31 and the new valuation of £7.56m, revealed a surplus of £2.94m, which has been credited to the capital reserve account.

The company has a liability in the form of an Eurocurrency Loan, guaranteed by its bankers, and repayment obligations fluctuate with the value of sterling.

In accordance with standard accounting procedure a provision of £180,045 has been made in the accounts for any exchange losses which may be incurred.

During the year the company, with Bank of England consent, repaid £293,082 Eurocurrency free of premium. It is policy to repay the loan as soon as possible but only with premium free overseas income.

According to a statement issued yesterday, this move was taken at the request of Talbox in order to protect the working capital position of the group and follows a substantial deterioration in LPP's trading position over the past two months.

The statement added that other companies in the Talbox group were trading profitably.

As part of the takeover of LPP in January, Talbox agreed to provide working capital of up to £130,000, over the past financial year LPP suffered losses of £530,000 after a change of premises and investment in new plant.

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comment

Redland looks for profit increase

RESULTS of Redland for the first quarter of the current year, coupled with brighter prospects, leads the chairman, Lord Bessing, to expect that group profits will show some improvement for the year, even in real terms.

However, the chairman warns that there is little prospect of early recovery in the U.K. from the present low level of construction activity, and maintenance of the present level will depend upon the extent to which increase in private sector expenditure can offset some further decline in public works.

Nevertheless, as was demonstrated in 1975-76, Redland has matched its operations well to present conditions, and U.K. operations are expected to continue successfully in the current year.

Fortunately, the overseas areas most important to the group are already showing renewed buoyancy, says Lord Bessing. House building in Germany, which declined excessively relative to conditions in the U.K. in 1975, has risen steadily since the latter part of 1975 and Brans and Company's position continues to improve.

Conditions vary from country to country in the rest of Europe, but in general there are indications of modest improvement.

In Australia Concrete Industries (Monier) expects further improvement on last year while growth in the U.S. holds promise for the group's traffic engineering services there, and for expansion of the concrete roof tile business of Monier-Royco Corporation, which Monier has a 30 per cent. participation.

The group also expects to benefit from the successful and growing involvement in the Middle East.

As planned, because of cash stringency which devoured during adjustment to world recession, the group's 1976-77 year under review a second year of restrained expenditure. The main burden borne by reduced revenue existing fixed assets, by limitation of expansion of the group's to £9.7m, also reflected a second year of restrained expenditure. The main burden borne by reduced revenue existing fixed assets, by limitation of expansion of the group's to £9.7m, also reflected a second year of restrained expenditure. The main burden borne by reduced revenue existing fixed assets, by limitation of expansion of the group's to £9.7m, also reflected a second year of restrained expenditure.

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comment

Improved outlook for British Land

ALTHOUGH DIFFICULTIES still remain, it is now possible to form some more encouraging view of the future of the British Land Company in the light of the progress that has been made during the adverse conditions which persisted from late 1973, says the chairman, Mr. John Ritblat.

The property cycle has been through a major convulsion, but in spite of uncertainties the enduring merits of freehold and long leasehold real estate as an investment medium remain strong.

Mr. Ritblat emphasises the need for a new partner is especially apposite. The majority of holdings, initially planned in 1970-71 based on a five-year cycle to acquire and complete freehold buildings, the company is now entering the second stage when the benefits of growth can flow through wholly to the company, and thus suitable long-term financing arrangements can be promulgated when conditions allow.

Some 40 per cent of the group's property portfolio and income is now overseas. It is becoming evident that acquisitions and developments abroad over the past years will fulfil the promise of expectations. Energies are now devoted to financing each zone of activity appropriately.

The example of Holland, where the company has retained its freeholds, bought more property, financed long-term and introduced

BOARD MEETINGS

The following companies have notified directors of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY	
Interim—Dr. Beers Consolidated Mines	Sept. 7
Interim—Leonard Farnham, Edward Leas, Mather and Platt, Nardis	Sept. 7
Interim—Scottish Eastern Investment Trust, W. Group	Sept. 7
Interim—Hochschild, Rossmore	Sept. 7
FUTURE DATES	
Interim—Gammex	Sept. 7
Interim—Midlands	Sept. 7
Interim—Ladbroke	Sept. 7
Interim—Liverpool Daily Post and Echo	Sept. 13
Interim—Matthews Wicks	Sept. 13
Interim—Small, John C. and Thomas	Sept. 13
Interim—Thames	Sept. 13
Interim—Bardex	Sept. 13
Interim—Finale	Sept. 13
Interim—Armstrong Equipment	Sept. 13
Interim—Dunlop	Sept. 13
Interim—Kennedy Sable	Sept. 13
Interim—Maple Macawarra	Sept. 13

Meeting, May Fair Hotel, V., September 21 at noon.

tions represent less than 10 per cent of the group income.

At March 31, 1976, contracted commitments were £4,930m (£3,540m) and authorised but not contracted £2,250m (£1,830m).

As reported on August 21 with details of property revaluations, total deficit per 25p share for the year to March 31, 1976, was down £2.10 to 14.9p.

Surplus on revenue account was £14,220m (£11,040m) subject to interest charges of £18,880m (£17,650m).

An analysis of turnover and revenue surplus shows (£000's omitted) property income £14,941 (£11,184) and £14,189 (£7,352); property sales (and provisions) £250 (£243) and £98 (£532); fees and commissions £1,435 (£1,129) and £228 (£563); retail sales £20,388 (£18,434) and £1,021 (£2,341); interest and dividends £1,016 (£1,373) and 802 (£1,241); share dealing losses £44 (£467); industrial £5,554 (£6,739) and £340 (£944).

Meeting, May Fair Hotel, V., September 21 at noon.

See Lex

Little change at C. Baynes

First-half 1976 profit of hack saw blade manufacturers, Charles Baynes, decreased slightly from £99,231 to £91,922, subject to tax of £47,999, against £51,400. Home turnover was £463,152 (£430,401), and export £180,956 (£182,304). Although orders on hand are at a higher level than at the beginning of the year, rising costs make it difficult to forecast the results for the current half, the directors state.

As before the interim dividend is 1p net per 10p share. Last year's total was 2.7277p from profits of £169,389.



Mr. John Ritblat, chairman of British Land Company.

Better year by Bogod-Pelepah

Profit of Bogod-Pelepah for the year to March 31, 1976 was £280,803, compared with £212,004 (£113,803) and an extraordinary item of £28,500 representing the net cost of additional pension provisions.

River Plate Trust

Gross revenue of River Plate and General Investment Company increased from £267,163 to £280,294, while the pre-tax figure was down from £317,145 to £302,371. Tax absorbs £99,303 (£114,064).

An interim dividend of 1.2p net (1.1p) has already been declared. Last year's total was 4.45p from a net taxed revenue of £391,254.

AUSTRALIAN AGRICULTURAL

New memorandum and articles of association of Australian Agricultural Company have been registered with the relevant authority in New South Wales, thus completing the process of emigration.

The new 50 cent shares for exchange control purposes are foreign currency securities and dealing have commenced.

Davy Intl. prospects remain good

THE IMMEDIATE outlook for Davy International is good and the directors aim to continue the progress of recent years, the chairman, Mr. J. W. Buckley, tells shareholders.

However, the work Davy does has a long cycle time, therefore the short-term prospects are influenced by the efforts of the past several years, a period when the company has been enterprising and venturesome, the chairman says.

The outlook is further influenced by the even longer cycle time of large projects which form an increasing part of the order book. The high level of orders reported a year ago has been maintained and most companies have good order books, but increasing effort is needed to ensure adequate workloads in relation to capacity.

Although prospects remain good there has been a noticeable falling off in demand from the oil-rich countries of the Middle East.

However, the world market for the group's services is large and varied and the policy of increasing in depth on a world scale and offering services to a wide range of process industries will, the chairman believes, ensure a satisfactory performance by the company in the future.

The value of work done, the increase in work in progress, amounted to £206.2m. in the year ended March 31, 1976 (£204.6m).

Due to a good overall performance by most companies, particularly those in the U.S., the profit before tax was £10.4m (£8.35m). In addition there was an extraordinary gain of £0.78m, mainly arising from changes in currency values.

On a CCA basis, pre-tax profits are £10.1m.

A geographical analysis of turnover—£204m. (£181m.)—shows U.K. £31m. (£38m.); rest of EEC £15m. (£11m.); rest of Western Europe £4m. (£10m.); Eastern Europe including Russia £10m. (£5m.); Middle East £10m. (£5m.); Far East £23m. (£12m.); Africa £15m. (£3m.); North America £34m. (£43m.); South America £1m. (£5m.); and Australasia £7m. (£2m.). U.K. companies—home turnover was £31m. (£38m.) and export £23m. (£53m.); non-U.K. companies contributed £149m. (£75m.).

A statement of the source and application of funds shows an increase in cash resources of £28.34m. (£10.55m.).

The balance sheet again strengthened and liquidity improved by some £28m. during the year. The improvement came mostly from the management of working capital, earnings, and the rights issue of last year which contributed £4.5m.

Substantial parts of the cash balance are held by the American and German companies. Cash accumulation arises in Davy from good cash management through the company's marginal improvements in several key areas can greatly influence the total balance.

The present level should be viewed against the volume of

business done, as liquidity is an important element in the flexibility required to respond to world markets. The present favourable position will also facilitate further expansion, the chairman says.

The Davy Group's single skin structure supported by internal air pressure from an electrically driven fan is a growing demand in areas where they are used for storing grain and as temporary warehouses.

Good result seen by Hales Properties

The current figures of Hales Properties reflect a satisfactory profit level for 1976-77 and the directors anticipate they will be able to maintain a dividend of not less than the previous year's 2.45p.

The chairman, Mr. R. J. Hale looks to the future with confidence. The company, he says, has a well balanced portfolio of private, commercial and industrial properties together with sufficient land reserves to continue the building programme into the foreseeable future.

Rental income for the year ended March 31, 1976 reflects the first full year following the relaxation of the control of business rents and is largely responsible for the rise from £194,720 to £221,687.

These figures will make a continuing contribution to rental income without additional capital outlay, the chairman says.

As reported, with a one-for-five bonus issue, profits before tax for 1975-76 increased from £119,489 to £157,515. Turnover was £365,945 against £481,303.

Meeting, Sutton Coldfield, September 16 at noon.

Midterm rise for British Vending

British Vending Industries, in which The Nestlé Company has a substantial interest, reports turnover up from £3.68m. to £4.35m. for the first half of 1976, and an increase in pre-tax profits from £50,584 to £133,156. Profits for the year 1975 came to £236,500.

After tax of £72,000 compared with £51,825, first half earnings are shown to be up from 0.45p to 0.78p per 10p share and the interim dividend is raised from 0.41875p to 0.460125p net. The company does not usually pay final dividends.

GOUROCK AIRHOUSES

Purvis Equipments of Edinburgh has recently purchased from British Fibres and Plastics the interests in their Gourock Airhouse division, together with the Port Glasgow premises, plant and equipment of the former Gourock Rope Work Company.

A new company—Clyde Canvas Goods and Structures has been

formed to continue and expand manufacture of the range of Gourock Airhouses. In addition the new company will be developing a range of tents, marquees, etc., using canvas PVC materials.

City and Commercial revenue up

Gross revenue for City Commercial Investment Trust for the six months ended July 1976, was £347,275, up £308,656 for the corresponding period last year.

After deduction of expenses and interest of £22,509 (£22 and tax of £112,244 (£55,594), leaves £232,222 (£155,222).

An interim dividend of 0.78p is announced. Last year's total dividend was 1.41p. Gross revenue was £363,810. Net asset value of the trust fallen from 166p to 112p.

Advance by Allied Investments

Pre-tax profits up from £24 to £219,481 are reported by Allied Investments for the year to April 30, 1976. Turnover rose 10 per cent to £3.71m.

First-half profits had risen from £100,000 to £170,000. Directors say progress in current year is such that expect profits for the first months to exceed those of same period last year.

Earnings per share are up from 1.50p to 1.80p and the dividend is 0.45p making maximum permitted total 0.6800p compared with equivalent 0.62637p previous year.

WELLS FARGO

Wells Fargo Bank's first shore office for investment services has been opened in London.

Mr. D. G. R. Hewitt, vice-president and manager of F. S. Smithers and Co.'s investment banking office, London, has been named as the new advisory officer.

NEW ISSUES

All these securities having been sold, this announcement appears as a matter of record only.

Can. \$50,000,000

ISE Canadian Finance Ltd.

Can. \$25,000,000

9½% Guaranteed Notes due 1982

Can. \$25,000,000

10% Guaranteed Debentures due 1986

Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by

International Standard Electric Corporation

Kuhn, Loeb & Co.

Lazard Frères & Co.

Algemeene Bank Nederland N.V. Amsterdam-Rotterdam Bank N.V. Banque Nationale de Paris

Banque de Paris et des Pays-Bas Commerzbank Crédit Lyonnais Credit Suisse White Weld

Deutsche Bank Dresdner Bank Greenshields Kredietbank S.A. Luxembourgeoise

Aktiengesellschaft Aktiengesellschaft Incorporated

Société Générale Société Générale de Banque S.A. Swiss Bank Corporation (Overseas)

Union Bank of Switzerland (Securities) Westdeutsche Landesbank Wood Gundy

Limited Girozentrale Limited

A. E. Ames & Co. Limited	Arnhold and S. Bleichroeder, Inc.	Bache Halsey Stuart Inc.	Julius Baer International Limited
Banca Commerciale Italiana	Banca del Gottardo	Banca Nazionale del Lavoro	Banca della Svizzera Italiana
Banco di Roma	Bank of America International	Bank Leu International Ltd.	Bank Mees & Hope NV
Bank Morgan Labouchere N.V.	Banque Bruxelles Lambert S.A.	Banque Française du Commerce Extérieur	
Banque Générale du Luxembourg S.A.	Banque de l'Indochine et de Suez	Banque Internationale à Luxembourg S.A.	
Banque Louis-Dreyfus	Banque de Neufilze, Schlumberger, Mallet	Banque Populaire Suisse S.A. Luxembourg	
Banque Rothschild	Banque de l'Union Européenne	Banque Worms	Baring Brothers & Co., Limited
H. Albert de Bary & Co. N.V.	Bayerische Vereinsbank	Joh. Berenberg, Gossler & Co.	
Berliner Handels- und Frankfurter Bank	Blyth Eastman Dillon & Co.	Burns Fry	Caisse des Dépôts et Consignations
Cazenove & Co.	Compagnia Finanziaria Interbancaria S.p.A.	Compagnie de Banque et d'Investissements (Underwriters) S.A.	
County Bank Limited	Crédit Commercial de France	Crédit Industriel d'Alsace et de Lorraine	Crédit Industriel et Commercial
Crédit du Nord	Creditanstalt-Bankverein	Credito Italiano	Daiwa Europe N.V.
Delbrück & Co.	Dillon, Read Overseas Corporation	Dominion Securities Corporation Harris & Partners Limited	Den Danske Bank A.F. 1571 Aktieselskab
Eurocapital S.A. Wholly-owned by Bank Centrale AG	European Banking Company Limited	Eurotrading	First Boston (Europe) Limited
Goldman Sachs International Corp.	Groupe des Banquiers Privés Genevois	Hambros Bank	R. Henriques Jr. Bank Aktieselskab
Hessische Landesbank - Girozentrale	Hill Samuel & Co. Limited	E. F. Hutton & Co. NV	Istituto Bancario San Paolo di Torino
Kidder, Peabody International Limited	Kjebenhavn Handelsbank Aktieselskab	Kleinwort, Benson Limited	Kredietbank N.V.
F. van Lanschot	Lazard Brothers & Co., Limited	Lazard Frères et Cie.	Lehman Brothers Incorporated
Lombardfin S.p.A.	London Multinational Bank (Underwriters) Limited	Manufacturers Hanover Limited	
McLeod, Young, Weir & Company Limited	Merrill Lynch International & Co.	Samuel Montagu & Co. Limited	Morgan Grenfell & Co. Limited
Morgan Stanley International	Nesbitt, Thomson Limited	The Nikko Securities Co., (Europe) Ltd.	Nomura Europe N.V.
Sal. Oppenheim Jr. & Cie.	Orion Bank Limited	Paine Webber Jackson & Curtis Securities Limited	Pierson, Halding & Pierson N.V.
PKBanken	Privatbanken Aktieselskab	N. M. Rothschild & Sons Limited	Rothschild Bank AG
J. Henry Schroder Wag & Co. Limited	Shields Model Roland Incorporated	Skandinaviska Enskilda Banken	Slavensborg Oyens & van Eeghen N.V.
Smith Barney, Harris Upham & Co. Incorporated		Società Finanziaria Assicurativa (SOFIAS) R.A.S. Group	
Société Bancaire Barclays (Overseas) Ltd.		Strauss, Turnbull & Co.	Svenska Handelsbanken
Trade Development Bank Overseas Inc.		Verband Schweizerischer Kantonalbanken	Vereins- und Westbank Aktiengesellschaft
J. Vontobel & Co.		M. M. Warburg-Brinckmann, Wirtz & Co.	S. G. Warburg & Co. Ltd.
Weisscredit Trade and Investment Bank			Yamaichi International (Europe) Limited

August 24, 1976

Paddle steamers are still very much a part of the American scene.

John Edwards reports on a new venture

The riverboat gamble

PADDLE STEAMBOATS are part of America's history, immortalised in Showboat and many other films. So it came as something of a surprise while visiting Cincinnati, Ohio, to come across the launching of a new riverboat—the Mississippi Queen—last month.

The first of its kind to be built for about 30 years, it cost over \$23m. to launch after 10 years of planning and four years of actual construction.

Equally surprising is the fact that a local doctor, Dr. Charles M. Barrett, acquired as president of a local insurance company the whole of the \$18.5m. worth of long-term bonds issued to help finance the venture.

The Coca-Cola Bottling Company of New York, also became involved recently by taking over the company owing to the "biggest steamboat ever afloat" as part of a general move to diversify into leisure industries. The commissioning of the Mississippi Queen in Cincinnati before its maiden voyage to New Orleans was a gala event for the city with all the local celebrities present to wish the new boat well, accompanied by bands, the release of thousands of balloons, and all the other promotional fanfare surrounding a big new business enterprise that is emotionally linked with the city's and America's past.

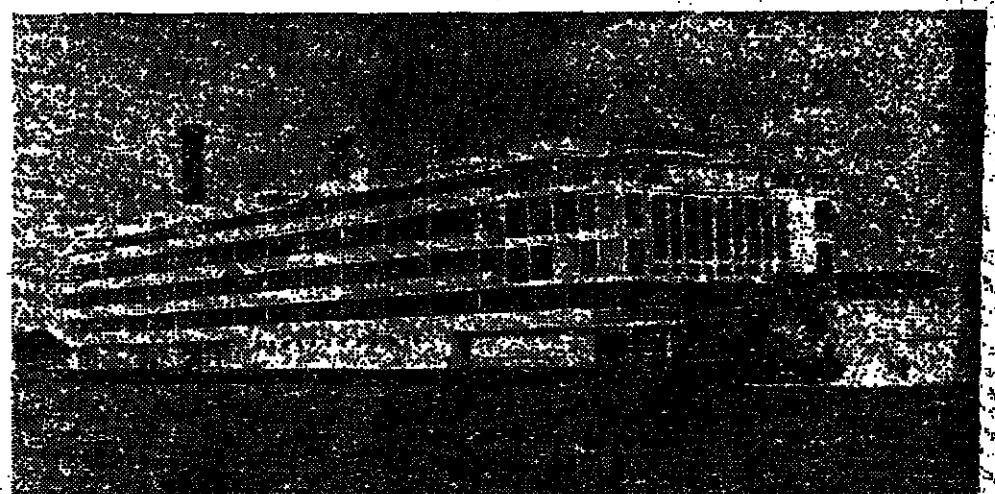
Huge crowd

Everything went well, despite the delays and the difficulties of coping with the huge crowd that swarmed on board the new vessel, which is now travelling up and down the Ohio and Mississippi rivers, with Cincinnati as its home port.

It operates together with its much older sister ship, the Delta Queen, which has just received another special dispensation from Congress to continue operating. This dispensation is required since the Delta Queen does not comply with the shipping safety regulations, being built largely of timber.

The Mississippi Queen has no such problem, being made entirely of steel although this is not apparent to the outside eye. It looks for all the world, as it is supposed to, just like one of the famous steam-driven paddle steamers that helped open up the American West before the railroads came.

To preserve the link with the past the steamer has been designed with all the opulence of the old riverboats, including a steam piano (calliope). But it is much bigger than anything ever built before, and has such



modern luxuries as air-conditioning, a swimming pool, sauna, lifts and cinema.

The huge 35 foot wide by 25 foot diameter paddlewheel is turned by a steam engine with automated oil-fired boilers and the steam turbine generators can provide enough electricity for a small city.

The boat is nearly 400 feet long, 68 feet wide and has seven decks. The exterior design and consultancy on engineering plant had a strong British connection through James Gardner of London, designers of the Cunard liner QE II.

A U.K. engineer from the P & O group was on the maiden voyage to make sure everything went well. Not surprisingly the cost of cruises on the Mississippi Queen is not cheap, especially from British eyes.

The price of a stateroom on the inaugural voyage from Cincinnati to New Orleans lasting 13 nights was \$2,430 per single passenger, including berth, meals and entertainment.

Confident

But the cost of cruises at other times of the year are more "reasonable" with a low fare of \$335 for a seven-day return trip from New Orleans to Vicksburg in early December.

The Mississippi Queen can carry up to a maximum of 500 passengers, plus 130 crew, and the operating company are very confident that it will be a financial success once the inevitable start-up expenses and problems have been met.

Soon after the launching some 75 per cent of total available passages for the year had already been booked. There are high hopes that the granting a five-year extension by Congress to the Delta Queen, instead of the

previous one year exemptions, will greatly help in keeping that boat financially afloat too.

Operating by grace of Congress on one-year extensions caused considerable financial accounting problems.

The company was only kept going by a California congressman when seeking the Delta Queen could not accept bookings for the following year because of financial problems, decided to take over the company.

It was then sold to Overseas National Airways, a charter airline company that was doing well until it suffered the misfortune of two new aircraft crashing within a short time of each other, just when Coca Cola of New York was making a bid to take it over.

The upshot was that Coca Cola of New York took over the Delta Queen Steamboat Company in place of the whole of Overseas National Airways. Coca Cola of New York is independently operated on a franchise basis from the main company and has, basically the right to bottle Coca Cola to the agreed formula in New York and surrounding areas.

It has not the holding rights, for example, in the Cincinnati area from which the Mississippi and Delta Queen riverboats operate so the takeover of the steamboat company is purely part of its diversification into leisure industries, including three wine companies and a leisure products subsidiary in Texas.

It is also relevant to point out that Dr. Barrett is not exactly fulfilling the role of the Cincinnati Kid, or the traditional riverboat gambler, in deciding to commit \$18m. to the Mississippi Queen.

There is an obvious appeal, according to Dr. Barrett, in the unusual doctor who is in the unusual

position—even by U.S. standards—of being head of Western Southern Life Insurance company, which claims to be 30th largest life insurance company in the U.S.

The bonds offer came time when U.S. citizens preparing to celebrate Bicentennial, and accord Dr. Barrett it was a "wholesome investment" tunity tying in with the community and the fact that Ohio River opened up the and had emotional ties many people.

Dr. Barrett, who not only sees patients by a ment, was keen to be seen with an investment he seek "floating down the river".

However, there was also financial incentive that persuaded his company to acquire the bonds offered into the bonds to be spread several investment funds.

The bonds over a 20 period give a very 3rd interest rate—in U.S. terms 9 per cent, and important: are 87.5 per cent, guaranteed by the U.S. Government under the 1938 Tax credit allowances, as believed helped "Coca-Cola" New York justify its takeover.

So Dr. Barrett's investment only marginally at risk, a good interest rate, 89.9 per cent, with alternative opportunities, Tax credit allowances, as believed helped "Coca-Cola" New York justify its takeover.

But, whatever the implications, the net result that a new, beautifully designed riverboat, recalling memories of past glories, is now on its way up and down the Ohio and Mississippi rivers, and that who can imagine this as a luxury cruise for most

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WALL STREET + OVERSEAS MARKETS

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Gold lower

BY OUR WALL STREET CORRESPONDENT

FURTHER LOSSES were scored on Wall Street today, but the lowest levels were trimmed by a late rally. After dipping another 7.90 to 986.17, the Dow Jones Industrial Average partially recovered to 971.49, for a net loss of 2.58. The NYSE All Common Index shed a further 29 cents to 854.48, while declines led gains by 981 to 997. Trading volume expanded 330,000 shares to 15.43m.

Evidence that the U.S. economic recovery was slowing and worry about recent events in Korea were largely responsible for the selling pressure, analysts said.

White House officials yesterday said that a Military Alert ordered in Korea would remain in force because of the continued tension stemming from last week's clash in the Demilitarized Zone, where two American soldiers were killed.

Hewlett-Packard further fell \$3 to \$86.00, its lowest quarterly profits and best picture for the full 1976 fiscal year.

MONDAY'S ACTIVE STOCKS

Stock	Change
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Texaco Petroleum	1.00
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Gulf and Western	1.00
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Standard Oil Indiana	1.00
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Exxon	1.00
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Amoco	1.00
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Shell	1.00
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BP	1.00
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British Petroleum	1.00
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General Motors	1.00
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Ford	1.00
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Chrysler	1.00
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IBM	1.00
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AT&T	1.00
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Westinghouse	1.00
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General Electric	1.00
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Radio Shack	1.00
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Wal-Mart	1.00
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Target	1.00
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Kmart	1.00
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Texas Instruments lost \$34 to \$109 and Coca-Cola were off \$14 to \$85.

Superior Oil was down \$1 to \$17.70, Northrop \$1 to \$39 and Foster-Wheeler \$1 to \$32.

But Vetro Offshore gained \$1 to \$17.

Gold Minings were mostly lower. ASA were down \$1 to \$27.30, Campbell Redlake \$1 to \$27.30 and Homestake Mining \$1 to \$28.

Winn-Dixie Stores moved ahead \$3 to \$37 on higher fourth quarter net earnings.

Harnischfeger fell \$1 to \$17 on July quarter net earnings of 70 cents per share.

Standard Oil of Indiana were active but off \$2 to \$30.

THE AMERICAN SE Market Value Index dropped 0.88 to 101.11, while declines outnumbered advances by 423 to 163. Turnover amounted to 1.72m. (1.6m.) shares.

Ryan Homes lost \$1 to \$16 and Sambo's Restaurants \$1 to \$14.

Other Markets

Canada again down

The decline continued in light trading on Canadian Stock Markets yesterday.

The Industrial Share Index lost 1.48 to 153.59. Golds 5.07 to \$37.30, Base Metals 0.53 to \$0.84, Western Oils 2.07 to \$24.38, Utilities 0.63

to 143.33. Banks 1.64 to \$42.80, but Papers gained 0.06 to \$21.26.

Pome Mines slipped \$1 to \$37.30, Canfield also off \$1 to \$35 and Dickinson Mines fell 26 cents to \$2.55.

Bow Valley Industries slid \$1 to \$24 and Pacific Petroleum also \$1 to \$27.

Canadian Tire "A" fell \$14 to \$44 and Moore \$1 to \$39.

PARIS—Decline over a wide front. Operators were hesitant ahead of economic and political decisions expected to be taken by President Giscard d'Estaing's government later today.

Settling positions before the new Account also played a part in the market's weakness.

No sector showed any resistance to the downward trend.

Germans did well in the Foreign section, with Bayer and Hoechst leading the way. Americans mostly declined, International Oils and Coppers and Golds were weaker, with President Brand and Western Deep coming under considerable fire.

BRUSSELS—Losses predominated in fairly quiet end-of-account trading.

Foreign stocks were lower, depressed by Wall Street.

Gold Mines were affected by the drop in the London gold fixing and the political situation in South Africa.

AMSTERDAM—Market eased but closed above the worst.

Most Dutch Internationals fell, although Agco and Heugovens each firmed.

Other Markets

Switzerland

Swiss stocks were mostly lower, with the Swiss Franc Index down 0.12 to 101.11.

Swiss Oils were down 0.12 to \$24.38, Utilities 0.63 to 143.33.

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Shipping, Banks, Insurances.

Industrials and Trading stocks were lower.

Isolated gainers included Ahold, up \$1.13 to \$1.35.

State Loans caused in quiet trading.

The cancellation of the planned Amro Flx70m Loan came as no surprise to the market.

Generally mixed in this trading.

BASF gained DM1 to 157 after announcing group profit rose 70 per cent in the first half year.

Zayer firmed DM30.90 and Hoechst DM30.90 among other Chemicals.

More demand was seen for Banks where Deutsche advanced DM4 to 288.5, Dresdner DM2.5 to 222 and Commerzbank DM3 to 197.

Public Bonds fluctuated between DM20.15 gains and DM30.20 losses in quiet trading.

With the Regulating Authorities selling more than DM2.7m nominal of stock.

Foreign Bank Loans were well maintained.

MILAN—Lower in quiet trading, although some recovery was reported before the close.

Bonds were quietly lower.

SWITZERLAND—Quietly power Banks were barely steady. Financials gave ground, as did Chemicals and Engineering.

Dollar stocks were barely steady, while Dutch stocks were mixed.

OSLO—Banks were quiet, Industrials mixed, while Insurances and Shipbuilding were steady.

VIENNA—Slightly firmer.

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K.K. crop outlook gloomy

Our Commodities Editor GRAIN production from the K.K. harvest is likely to be slightly above last year's of 13.92m. tonnes because of drought according to estimates by the Home Cereals Authority. The K.K. harvest is expected to be a big rise in winter wheat plantings, authority predicts the crop between 5.25m. to 5.4m. compared with the low of 4.8m. tonnes in 1975. Production is expected to be between 7.9m-8.1m. against 8.51m. tonnes. Cereals output for 1976 is expected to be 14m. to 15m. tonnes, despite an estimated 1 per cent rise in plantings in England, Wales, Scotland and Northern Ireland to 3.68m. in all. The Ministry of Agriculture in its latest weekly report on yesterday said harvesting was virtually complete, except in Northern Ireland where there was still considerable area of wheat grassland the report says a large number of days sown ear have failed and will be re-sown. Elsewhere, grassland is completely but it is unlikely there will be widespread death of grass. The outlook for fodder is poor, and the report says that the widespread death of grass and straw, is making a lot of what would have been a very adequate supply.

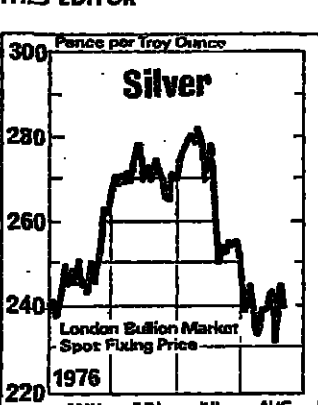
Aluminium output rises

INTERNATIONAL Primary aluminium Institute said its annual production of 3,000,000 tonnes in July, with a revised 3,020,000 in June and 3,000,000 in 1975. Reuter reports that daily production was 100,000 tonnes, against 97,000 in 1975, and 25,000 in July, 1975. The Institute covers all primary aluminium producers except Eastern bloc countries. Meanwhile, the International Association of Recyclers said aluminium was rising more quickly than expected towards the 55 a pound level that is needed to spur production. The Association had predicted prices would rise by 2 cents to 46 cents by the end of the year and that the world price would reach 50 cents.

Silver and base metals weaker in London

BY JOHN EDWARDS, COMMODITIES EDITOR

BASE METAL and silver prices followed the downward trend in gold yesterday on the London market. The spot quotation for silver on the London bullion market was cut by 4.85p to 239.25p an ounce at the morning's trading, reflecting both the decline in gold and the earlier news from New York on Friday night. Prices held steady in the afternoon, possibly due to the higher prices in the Chicago grain market. On the London metal Exchange cash silver closed at 239.3p an ounce, 3.6p down on Friday's close. LME silver stocks held in warehouses were maintained up by 10,000 to 28,950,000 ounces.



Copper cash wirebars closed 110 down at 558.5 a tonne in quiet trading conditions. Further rise in LME warehouse stocks of copper—up by 4,525 to an all-time high of 558,500 tonnes—was in line with market expectation and had little impact on prices. Industrial selling initially drove the market down following the earlier tone of the New York copper market on Friday evening and reports from Tokyo yesterday that Japanese consumers had stopped buying because of reduced demand in the domestic market. It was claimed that Japanese users, mainly electric wire and cable makers had bought some 20,000 tonnes of copper for July/August shipment up a spot basis in anticipation of higher prices. But they had been disappointed by the lack of orders from the Nippon Telegraph and Telephone Corporation, which had delayed an investment programme pending Government approval of higher telegraph and telephone charges.

Sugar market declines further

BY RICHARD MOONEY

THE DECLINE in world sugar prices continued yesterday with both the London and New York futures markets in second position. The London daily price fell another 5p to 122.8 a tonne—the lowest level since June, 1975—bringing the fall in the past three weeks to 23p. The December position on the London terminal market did not fully reflect this fall but nevertheless ended 22.325 lower at £180.175 a tonne, 22.625 lower than at the beginning of this month. Dealers attributed the fall to reports of cheap sugar being sold on the world market. They said that the market was being affected by market talk that Brazil had sold possibly over 100,000 tonnes of white sugar to various operators over the past ten days. The market was further depressed by rumours that Malaysia had taken 40,000 tonnes of Australian raw sugar over the week-end. Sugar statistician F. O. Lieb's first estimate of European beet production is 27,955m. tonnes against 25,932m. in 1975-76. Market sources said the figure was "near-neutral" as traders had expected the better Soviet crop and the rapid expansion in European plantings to be a figure of this order. However, they still saw the figure—one of the highest ever—as mildly bearish. The Light estimate put production in the Soviet Union, where growing conditions have been reported as good, at 9.1m. tonnes against 7.7m. last year. Output in France, which has been worst affected by the drought, is estimated at 2.3m. tonnes against 3.2m. last year.

Brazil may halt sales

RIO DE JANEIRO, Aug. 23. American and Caribbean sugar exporters. The subject was still being discussed within the IAA, and Brazil acted independently on such matters, he said. However, he said that Brazil was not interested in selling raw sugar at current international market levels. Reuter

Cocoa rises to all-time peak level

By Our Commodities Staff

AGGRESSIVE buying brought cocoa to an all-time peak level yesterday. The London terminal market opened on a relatively quiet note but with producers generally staying out of the market a permissible limit rise was achieved in the afternoon and the December futures position closed £11.75 up on the day at £11.55 a tonne. Traders saw the rise as a recovery from the fall of late last week. The Ghana Cocoa Marketing Board estimated purchases of 10m. tonnes in the week (the 11th of the season) at 325 tons, reports Reuter from Accra. This brings cumulative purchases for the season so far to 75.1m. tonnes, compared with 4.95m. tons after 11 weeks last year.

In Abidjan, meanwhile, cocoa producing countries have begun talks aimed at forming a permanent body for the renegotiation of the new International Cocoa Agreement. Alliance members Brazil, Ecuador and Ghana have already signed the pact but others, including the Ivory Coast, appear to be ready to abandon the Agreement if their demands are not met. The main objection to the Agreement is that the price levels agreed last October are too low, and take no account of production costs.

India worried by jute surplus

By Our Own Correspondent

NEW DELHI, August 23. THE CENTRAL Government here is concerned at the state of the Indian jute industry resulting from the growing "sickness" among jute mills in West Bengal and the piling up of as much as 17,000 tonnes of unsold jute goods worth Rs.700m. (45m.). Thirteen mills have already closed down and information received from the West Bengal Government and the possibility of others closing is not ruled out. At any rate, all mills are working well below capacity and are now producing only 75,000 tonnes a month against the 110,000 tonnes a month produced a few months ago. The Indian Government feels that much of the blame for the present condition of the jute industry lies with the mills since they have failed to modernise and reinvest to lower production costs.

Downward shift in hardwoods demand

BY A SPECIAL CORRESPONDENT

THE PAST two months a definite change has come over the hardwood market. Imports in the U.K. spent the first six months of the year trying to obtain shipment against contracts placed and wondering whether a revival in the re-sell market would find them short of stock. Now they have during July and August as exporters in all parts of the world have quite suddenly begun to catch up on their shipments. It is a little early yet to be domestic. This may be a false alarm, but it is possible that we are witnessing the first signs of a downturn in world demand. Those with long memories of the timber trade know that the hardwood trade after summer, the rule of bulkhead for the rest of the year.

Availability

Although the state of import arrivals has not yet been reflected in the trade statistics, it can be seen from the figures available to the end of June that importers could expect to be fairly stretched financially. Their outstanding contracts at June 30 at 411,000 cubic metres were at their highest point since early in 1974 and that figure resulted from 1973's "panic" buying. Arrivals in the first six months this year were 21 per cent up on 1975 at 287,000 cu. metres. When the July and August statistics are published it will no doubt be clear that the gap between the outstanding contracts and arrivals will have begun to close. It is difficult to pinpoint precise reasons for the improved availability of hardwood, but reports reaching this country indicate that mills in West Africa and the Far East are not particularly flush with new orders. The U.K.'s apparent consumption figures for the first six months of the year provide some interesting material for statistical forecasting. However, first it is necessary to emphasise that the figures do not include stocks in the hands of merchants and consumers but are confined to movements out of importers' stocks. At the end of January this year apparent consumption was 20 per cent up on the same month of 1975. At the end of March the figure had risen to 27 per cent, but by the end of May a declining trend was in force and the increase rate over 1975 was reduced to 17 per cent, and by the end of June it was limited to 10 per cent. This trend would add weight to the view that the great demand of the so-called consumption in the early months of the year was not real but instead consisted largely of merchants and consumers re-building stocks in an endeavour to beat the price rises which were already manifest.

COMMODITY MARKET REPORTS AND PRICES

SE METALS				
200-Drilled holes on the London Exchange. The forward price at 199 in pre-market dealings but				
Unit	Official	Unofficial	Unofficial	Unofficial
Aluminium	553.5-5	20	554.5-5.5	10
Copper	804.5-5	18	805.5-5	3
Gold	882.4	18.5	882.5-3	91
Iron	884.4	18	884.5-3.5	82
Lead	554	18	554	74

DECEMBER COCOA 1972-1973

Unit	Official	Unofficial	Unofficial	Unofficial
Standard	122.8	40	122.8	40
Three months	122.8	40	122.8	40
Three months	122.8	40	122.8	40
Three months	122.8	40	122.8	40
Three months	122.8	40	122.8	40

RESOURCES GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTICE is hereby given that the sixtieth Annual Meeting of the shareholders will be held at the office of Singapore International Merchant Bankers Limited, 100, Raffles Place, Singapore, on Friday, September 10, 1976, at 11.00 a.m. to receive, consider and adopt the accounts for the year ended 31st December, 1975, and the reports of the directors and auditors; to elect directors; to approve directors' fees; to appoint auditors and fix their remuneration; to transact any other ordinary business. By Order of the Board: SINGAPORE INTERNATIONAL MERCHANT BANKERS LIMITED Secretaries

PRICE CHANGES

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FINANCIAL TIMES

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Giscard sees Chirac in pre-shuffle talks

BY ROBERT MAUTHNER

PRESIDENT Giscard d'Estaing to-night appeared to be on the point of deciding on a Government reshuffle, which many observers believe will lead to the replacement of M. Jacques Chirac, the Gaullist Prime Minister.

The President met M. Chirac to-night for what could prove to be the last session of their regular weekly consultations.

According to some Press reports, M. Chirac, who has been Prime Minister since the President's election in May 1974, submitted his resignation in July. M. Chirac looked tense as he hurried past reporters after to-night's meeting.

An official announcement on the reshuffle is expected after the next Cabinet meeting on Wednesday.

While M. Chirac's fate is in the balance, speculation has been rife about who will replace him. Several names have been mentioned, but the most strongly tipped has been M. Jean-Pierre Fourcade, the Finance Minister.

True or not, M. Fourcade's appointment would fit in with the President's desire to be seconded by a technocratic Premier who would not thwart him or get involved in political squabbles with other members of the Government.

The nomination of anyone but a Gaullist could, however, present President Giscard with



President Giscard d'Estaing nears a decision.

an extremely tricky situation. The Gaullists are still his biggest prop in the National Assembly, and without them he would no longer have a parliamentary majority which he requires to push through the Government's legislation.

It is probable that, at least in the short term, the Gaullists would not go into open opposi-

tion to the Government, even if one of their number is no longer Prime Minister. Their own prospects at the next general election, due in early 1978, might well be jeopardised if they decided "go it alone" completely.

M. Alexandre Sanguinetti, a former leader of the Gaullist UDR Party and still a member of its executive committee, announced to-day that he had advised M. Chirac to resign and predicted a "change of regime".

He nevertheless warned the Gaullists against adopting a systematic anti-Giscard stand. The Gaullists were probably faced with a period out in the cold, and they should reserve their position, M. Sanguinetti said.

M. Chirac goes, the parting with the President is likely to be amicable. Though there have been some serious disagreements between the two, notably over the capital gains tax, and M. Chirac's role as "co-ordinator" of the coalition parties, the Prime Minister has always remained loyal to the President in public.

However, M. Chirac is believed to have presidential ambitions of his own and might prefer to preserve his political reputation rather than swallow policies with which he and his party do not agree.

Political crossroads Page 13

Strikes double threat to Ford exports

BY ROY ROGERS, LABOUR CORRESPONDENT

DISPUTES WHICH yesterday halted Ford Motor U.K. production of Escorts and Capris pose a serious threat to the British company's plans to re-establish itself in Western European markets from which it has been virtually excluded for several years.

Production of some 900 cars, mostly Escorts, was stopped, and about 10,000 workers laid off as the company's Halewood, Liverpool, plant was hit by two strikes.

As Ford UK is seeking to boost Escort output by 18,000 this year by a massive push into Europe, the disputes "could not have come at a worse time," says the company. It is already low on car stocks, largely through high demand and the fact that plants have only just opened after the three-week holiday shutdown.

The quality and non-availability of British-made vehicles.

The Halewood body and assembly plants will remain at a standstill this morning, as the day shift has been abandoned. Management has some hope that resumed talks with the union officials may clear the way for a resumption of production on the night shift.

Men at the nearby transmissions plant are continuing to work, although without supervision.

Some 800 supervisors in all three Halewood plants, members of the Association of Scientific, Technical and Managerial Staffs, are on strike for higher manning levels for supervisory staff and improved facilities for union representatives.

Lines halted

This dispute, which broke out near the end of last week, did not in itself cause yesterday's production losses, which are valued at about £1.5m. in retail terms. But when a fresh strike broke out, this time involving 200 assembly plant maintenance men, management had to halt the production lines.

Resolving yesterday failed to settle either the supervisors' row or the maintenance men's grievances over regrading of sewing machine mechanics. Further attempts will be made to-day.

Halewood

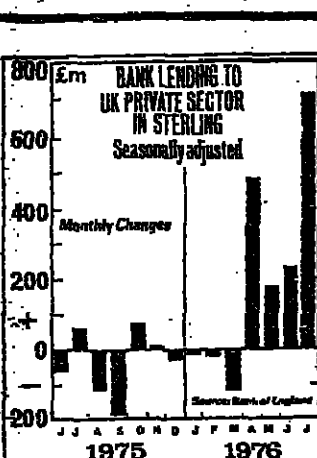
Continued trouble at Halewood could put further pressure on Ford to review plans to scale down Escort production at Saarlouis, in West Germany, where more emphasis is to be placed on the new Fiesta. This policy leaves the clear line for Ford UK to attempt to win back sales in European countries which switched to German-made vehicles several years ago after complaining about

THE LEX COLUMN

A critical stage in property

The unsettling money supply figures in yesterday's morning papers were swiftly followed by a warning in Greenwell's Monetary Bulletin of fresh pressures in the pipeline. The danger signal for the August banking month pinpointed as being the explosion in the net Treasury Bill issue, although the brokers still think there will be a lull in bank lending to the private sector. Curiously, equities rather than gilts bore the brunt of the monetary news, with the 30-share index penetrating the 1976 low by a clear 3 points. Although there are no buyers of gilts at these prices there seem to be few sellers either, perhaps because many institutions are reluctant to add still further to their liquidity.

Index fell 9.4 to 361.4



Property

Borrowing limits are still crucial matters for highly geared property companies, as demonstrated yesterday by the results from Town and City and the report from British Land. The former's statement shows a pre-tax loss before development outgoings down from £12.1m. to £4.8m., including only £1.5m. in the second six months. But development outgoings are sharply higher, the overall attributable loss on revenue account is slightly higher at £9.1m., and including capital items it looks as though the erosion of net worth may have been of the order of £20m. against £18m. at the half-way stage.

This sheds fresh light on T and C's decision to ask for increased borrowing powers at the beginning of this month, for the losses seem likely to have trimmed the old limit to some £340m. at last March 31, when debt was in fact something in excess of £350m. In British Land's case the decision not to incorporate the more realistic recent valuations in the balance sheet also becomes more understandable since under its loan stock trust deed this would have cut the borrowing limit to £210m., alarmingly close to a debt total of £209m., up £19m. or so on the year.

But British Land seems to be getting over this hump with the aid of disposals, a rapidly narrowing revenue deficit and one or two balance-sheet moves like the deconsolidation of its Dutch interests. The chairman also

talks pensively about the desirability of the injection of new equity to cut borrowing costs and bring forward the return to profitability. Shareholders can presumably expect a rights issue in the future when the daylight between the market price and the 25p par value is significantly more than the current 8p. This would, of course, mean a dilution of the current asset value of 118p a share, for with a market capitalisation of only £12.7m. an issue would need to be proportionately very heavy to be worthwhile.

T and C is having to follow the disposals route more aggressively than British Land, for its revenue problems are more intractable. Development spending is now past the peak, but net outgoings on "development" properties where no development has begun jumped from £1.4m. to £6.5m. last year. This may be partly a matter of reclassification, yet this deficit was growing in the second half and it looks to represent a threat to T and C's progress on other fronts.

Far East trading

The Hong Kong market something of a knock month. But it is still on per cent. below its 1976 and there was nothing notably untoward yesterday's results of a couple of its stocks—Hutchison International and Wheelock Marden. The shares have moved line with the Hong market: in striking contrast, Wheelock has fallen by more than half this year. Its statement produced a slightly ahead of forecast HK\$29.4m. and the group tries to exclude non-recurring items from its figures. Wheelock's balance sheet what the market is really

Tate/Manbré

Tate and Lytle's offer for Manbré and Garton runs up against its first closing date a week from to-morrow so, the decision of the Monopolies Commission could be known within the next few days. Last night the market appeared to be betting a little less heavily against the prospect of a reference with Manbré up to 150p (against an offer worth 170p cash). As for Manbré's document, this was well

Accountants to postpone deferred tax standard

BY MICHAEL LAFFERTY, CITY STAFF

IN THE face of vigorous opposition from the CBI, the big banks, City institutions and many large companies, the Accounting Standards Committee yesterday decided to postpone implementation of its highly controversial standard on deferred taxation pending the outcome of the Morpeth Group's proposals on the new inflation accounting system.

The standard became effective for all accounting periods starting on or after January 1 this year, and is now being suspended before any financial statements have been prepared under its provisions.

The decision is to be framed in the form of a recommendation to the committees sponsoring bodies which make up the Consultative Committee of Accountancy Bodies.

The standard would have required companies to make provision in their accounts not only for the tax on their annual profits but also for that tax deemed to be deferred as a result of the Government's

accelerated depreciation allowances and stock appreciation relief.

The CBI and others, including leading accountants Price Waterhouse, argued that this introduced into the accounts theoretical balances which would never in reality be paid over to the Inland Revenue.

It was also argued that the tax actually paid by companies bore little resemblance to that charged in the profit and loss account, so for successful companies deferred tax balances would just keep growing.

Beyond these objections are thought to be other worries. If capital-intensive industries have large deferred tax balances, they could be charged with receiving interest-free Government loans and possibly run the risk of the Government being pressured into calling them in.

Furthermore, under the new system of inflation accounting which the Morpeth Group is considering on behalf of the committee and which takes effect in 1978, companies' profits will be severely trimmed. This empha-

sises the need to show as much additional profit as possible to cover dividend payments.

The Morpeth Group's proposals for the new inflation accounting system, which is based on the Sandilands Report, are due to be published by the Committee at the end of November. It is felt that this will provide an ideal opportunity for a re-assessment of the whole deferred tax problem.

Mr. Tom Watts, a Price Waterhouse partner and a member of the Morpeth Group's committee on deferred tax, wants to drop the deferred tax accounting except in the rare cases where companies can foresee amounts crystallising into actual cash being paid over to the Government.

Last night, both the CBI and Price Waterhouse welcomed the Committee's decision. The CBI said: "We are sure that the committee has reached a sensible decision. It is very gratifying that the accountancy profession has shown due consideration to the views expressed by the CBI on behalf of a large section of industry and commerce."

Treasury sets new overseas limits

BY ANTHONY HARRIS

THE TREASURY has imposed new restrictions on the trade credit which U.K. banks are allowed to provide for customers in the overseas sterling area. This is intended to block a potential loophole in the defence of sterling at periods when the exchange rate is under pressure, which may have been responsible for a small proportion of the pressure on the reserves in June and July, and could be more important in future.

Speculation

Exchange control regulations on U.K. business with the overseas sterling area were introduced in June 1972, when the pound was first floated, but the banks have deliberately allowed wide latitude in financing trade both within the sterling area and with third countries to protect the City's traditional business in this important field.

However, it is thought that some customers have used such facilities to finance speculation against sterling, through the purchase of foreign currency, rather than to finance trade during the recent run on the pound. Banks will therefore be required to demand documents proving that the requested movement of an actual current movement of goods. Such credit will also be limited to 180 days, the normal maximum commercial term.

This new regulation is probably designed not so much to prevent a recurrence of any leakage which may have occurred earlier this summer as

to anticipate new commercial pressures which could be expected in any future period of weakness of sterling. Since the announcement of the international standing credit in support of sterling on June 7, the Bank of England has revived an earlier practice by buying sterling in the spot market and selling it in the forward market. This is designed not only to support the spot rate at a minimum cost to the reserves, but to increase the cost of borrowing sterling in the external sterling market, thus discouraging speculative borrowing. The consequent higher Eurosterling rates must increase the attraction of any backdoor through the overseas sterling area into the London market.

Peter Hennessy writes: Mr. John Biffen, Opposition spokesman on energy and a leading Tory monetarist, yesterday predicted a further sharp increase in monetary expansion when the figures for August are released.

He foresaw two dangers: "That the Government will not be able to borrow the cash needed to finance its massive spending. If they print money rather than borrow, they make greater inflation an absolute certainty."

"Secondly, the Government may decide they must borrow—but in order to do this, there must be a hefty rise in interest rates—perhaps to 15 per cent."

The Chancellor's economic policies had created the prospect of either more inflation, or higher interest rates or a further round of spending cuts and tax increases, said Mr. Biffen.

Money supply warning, Page 9

Government frustrates Bristol on Toyota distribution centre

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE Government yesterday showed no inclination to step back from its politically embarrassing confrontation with the Labour-controlled Bristol City Council over the Department of Industry's refusal to sanction a Toyota car distribution centre at the city's new West Dock.

After a meeting with civic and dock leaders in Bristol, Mr. Alan Williams, Industry Minister, shocked the Japanese car company into silence by saying that he would make him try to convince the mid of Mr. Eric Varley, Industry Secretary.

Earlier, Toyota had said that it would seek talks this week with the Department of Industry on the rejection of its application for an Industrial Development Certificate for its £5m. project. But, after hearing of Mr. Williams's hard line, senior managers went into conference with local experts and professional

advisers and then refused all comment.

Nevertheless, the company stressed that it was not envisaging legal action at this time and that it still believed that a certificate was not necessary for its plans. This argument turns on the company's claim that manufacturing work would not be undertaken at West Dock, merely de-waxing of up to 30,000 cars a year delivered by sea and any necessary damage repairs.

Mr. Varley's decision is seen in Bristol as a grievous blow to the prospects of the municipally-financed £37m. West Dock development. Councillor Wally Jenkins, chairman of Bristol's docks committee, said yesterday that the Government's interpretation of the certificate provisions of the Town and Country Planning Act of 1971 prevented major operations in the West Dock "almost to the point of blowing your nose."

Mr. Williams, however, stood by the interpretation which he

said could be challenged in the courts if Toyota wished to do so. The Government had urged Toyota to consider putting its centre on Merseyside where the employment situation was "far more serious."

Rejection

Rejecting allegations that the Government had offered Toyota a £1m. "bribe" to go to Merseyside, Mr. Williams claimed that it was "perfectly proper for a firm to be told of the financial incentives that are available."

The Government could still face pressure from its Bristol MPs to change its mind over the application. Mr. Ron Thomas, Labour MP for Bristol North-west, said he would be supporting the West Dock cause while Mr. Anthony Wedgwood Benn, Energy Secretary and member for Bristol South-east, pledged his help "to present the strongest possible case for the West Dock."

Toyota agrees steel price rise. Page 5

Continued from Page 1

Drought and industry

Where supplies were cut by 50 per cent., companies would be offered the option of taking water from land tankers, barges, ships or overhead pipeline.

The U.K. would be North Wales and Scotland. Overseas, the Norwegian fjords are seen as a good prospect. Norwegian shipbrokers in Oslo reported yesterday that they had already received inquiries from public bodies and private industry in the U.K.

Costly as the transshipment might be, it could obviously prove worthwhile in high value industries dependent upon water. Unless such options were exercised there was the prospect that industry in parts of Britain would be threatened by short-term working within the next few weeks. The worst affected areas were parts of South Wales, Northamptonshire, East Anglia, Yeovil and Plymouth.

Mr. John Collins, assistant Welsh secretary of the confederation, said the planned 50 per cent cut in water supplies from September 15 could lead to the loss of 1,000 jobs at British Leyland's factory at Pengearn, near Cardiff, where manual gearboxes are made for the new Rover 3500. Another 11,000 workers at factories dependent upon the components could be affected.

The Welsh Water Authority said that many companies in South Wales could be affected similarly unless there was a better response to appeals for

the full list of vegetables affected reads peas, carrots, cauliflowers, celery and white and red cabbages. Contrary to some reports, the suspension applies to fresh and chilled supplies only, not frozen vegetables.

It is hoped that suspension of tariffs—which range between 15 and 20 per cent—will attract supplies from non-EEC countries and help cushion the impact of the drought, affecting consumer prices not only in Britain but wide areas of the community.

The suspension will come into operation towards next week-end after completion of legal formalities. Initially it is due to last until September 30.

Weather

U.K. TO-DAY

MOSTLY hot, some thundery showers.

London area, N. Wales, Lake District, Glasgow, Cent. Highlands, Midlands, N.W. Cent. N. S.E., Cent. S. England

Mostly sunny. Wind S.E., light. Hot. Max. 27°C (81°F).

E. Anglia, Borders, Edinburgh, Dundee, Aberdeen, E. N.E. England

Sunny, warm inland. Coastal fog. Max. 25°C (77°F). Cooler on coasts.

Channel Islands, S.W. England, S. Wales, N. Ireland

Cloudy. Thunder showers with hill and coast fog. Warm. Max. 23°C (73°F).

Isle of Man, Rest of Scotland

Mostly sunny. Hot. Max. 25°C (77°F).

Outlook: Mainly dry and sunny. Isolated thundery showers in S.W.

Lights-up: London 21.00, Manchester 20.51, Glasgow 21.05, Belfast 21.09.

BUSINESS CENTRES

BUSINESS CENTRES			
	Y-day mid-day		Y-day mid-day
Amsterdam	22 72	Manchester	23 77
Athens	21 70	London	22 72
Bombay	21 70	Midbourne	22 72
Buenos Aires	21 70	Montreal	22 72
Calcutta	21 70	Moscow	22 72
Canton	21 70	Nairobi	22 72
Cebu	21 70	Paris	22 72
Colon	21 70	Perth	22 72
Hankow	21 70	Prague	22 72
Hong Kong	21 70	Singapore	22 72
Kobe	21 70	Sofia	22 72
London	21 70	Tokyo	22 72
Lyons	21 70	Toronto	22 72
Manila	21 70	Vienna	22 72
Medan	21 70	Warsaw	22 72
Osaka	21 70	Zurich	22 72
Shanghai	21 70		

HOLIDAY RESORTS

	Y-day mid-day		Y-day mid-day
Algeria	S 24 75	Jersey	F 16 66
Antwerp	S 21 58	Las Vegas	S 26 78
Batavia	S 27 81	Locarno	S 22 72
Bombay	P 27 81	Malorca	C 30 68
Buenos Aires	P 27 81	Malaya	F 21 36
Calcutta	S 24 75	Malta	F 23 29
Canton	S 24 75	Nairobi	S 24 75
Cebu	S 23 75	Perth	S 24 75
Colon	S 23 75	Prague	S 24 75
Hankow	S 23 75	Singapore	S 24 75
Hong Kong	P 21 78	Sofia	S 27 81
Kobe	S 23 75	Tokyo	S 27 81
London	S 23 77	Toronto	S 27 81
Lyons	S 23 77	Vienna	S 27 81
Manila	S 23 77	Warsaw	S 27 81
Medan	S 23 77	Zurich	S 27 81
Shanghai	S 23 77		
Singapore	S 23 77		
Sourabaya	S 23 77		
Tientsin	S 23 77		
Yokohama	S 23 77		

PHILIPPINE EARTHQUAKE DISASTER

The B.B.C. report 5,000 killed. Over 90,000 a homeless. The terrible 24 ft. tidal wave has added to the death and devastation. At the time of going to Press many more people are expected to be made homeless or to die.

Victims are in desperate plight and weak from injuries, exposure and hunger. Old people suffer particular hardship because infirmity often makes them least able to help themselves.

Help the Aged has already sent immediate aid £5,000. Very much more is needed quickly. The fastest way is, of course, to send funds to experienced relief workers already on the spot.

They urgently need money for food, medical aid and shelter. Help now is much more valuable than aid later, when for some it would be too late.

Hours count—your donation is desperately needed. So please use the FREEPOST facility and address your gift to Earthquake Appeal, Hon. Treasurer the Rt. Hon. Lord Maybray-King, Help the Aged Room FT5, FREEPOST 37, LONDON W1E 6JZ (No stamp needed.)

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